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Daily Report
East Europe

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Bulgaria: Engineering Unit Will Not Be Sent to Bosnia

AU0602100596 Sofia DUMA in Bulgarian 3 Feb 96 p 1

[Report by Evgeni Gavrilov: "We Relinquish Idea of Sending Batallion to Bosnia"]

[FBIS Translated Text] Bulgaria will not send an engineering battalion to Bosnia, Foreign Minister Georgi Pirinski said on 2 February after the extraordinary meeting of the government. The meeting dealt with our participation in implementing the Dayton agreement and further developing the dialogue with NATO. During the initial dialogue with NATO's European Command, we requested to specify the scope of the battalion's activity, the area of its deployment, and the manner of financing, the foreign minister said.

Initially, it had been determined that our unit would participate in clearing roads and restoring bridges and the water supply. However, afterward a demand was voiced regarding the participation of the unit in clearing mine fields.

In addition, the government's decision of 16 January was categorical on the issue of financing, namely, that we will send a battalion only if the operation is financed from outside. This also was the position of the Consultative Council on National Security, namely, that Bulgaria cannot spend several tens of millions of dollars for the maintenance of the battalion, Minister Pirinski said.

According to the cabinet's decision, the defense minister must send a letter to the commander-in-chief of NATO in Europe, which will point out that our country highly values the proposal to participate in the peace operations in Bosnia, and that we are prepared to place a field military hospital with 30-50 beds at the disposal of the peace troops, and allow the use of the Military- Medical Academy as NATO's strategic reserve. A parliamentary decision will be necessary for this.

In addition, the government decided to officially inform NATO that we are prepared to begin an intensified dialogue on the issue of expanding the alliance. Such a proposal was made by a NATO representative on 29 January, the foreign minister noted. A working group must prepare a special document by the end of March, and the document should serve as the basis for conducting the talks.

Georgi Pirinski reported that he renewed his invitation to the NATO general secretary to visit Bulgaria. He promised to reply in the next few days to President Zhelev's attack, who said that the cabinet, with its foreign policy, is striving to form Eastern Orthodox axes.

Bulgaria: Pirinski: NATO Dialogue Not Linked to Entry

AU0602150596 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 6 Feb 96

[FBIS Translated Text] A closed meeting of the National Assembly Commissions on Foreign Policy and on National Security took place on 6 February. Foreign Minister Georgi Pirinski took part.

Asked about the government's intention to begin an intensive dialogue with NATO, Minister Pirinski answered that this is not linked to the decision to apply for NATO membership. This was reported by deputies of the Union of Democratic Forces, who took part in the meeting.

Minister Pirinski did not answer the question whether National Assembly Chairman Blagovest Sendov had compromised Bulgaria's relations with NATO by the statements he made in Moscow.

Bulgaria: Cabinet Right To Decide on NATO Questioned

AU0602101396 Sofia KONTINENT in Bulgarian 3-4 Feb 96 p 8

[Commentary by Georgi Apostolov: "BSP in NATO"]

[FBIS Translated Text] Obviously, the statements of Foreign Minister Pirinski and the BSP's [Bulgarian Socialist Party] parliament members regarding the activation of the dialogue with NATO are aimed at glossing over the Moscow blunder of National Assembly Chairman Blagovest Sendov. It is against this background that one should view the claim that Bulgaria's policy toward NATO is an issue that belongs to the competence of the cabinet and not parliament. Otherwise, the claim is devoid of any meaning.

The issue of NATO membership is extremely important because it affects the national interests and the guarantees of national security. Even parliament, as the organ which reflects something so inconstant and changeable as the current political situation, cannot be the place where such decisions are adopted, and this applies with even greater force to the narrow circle of a cabinet formed by a single political force. The BSP can adopt a decision on its own membership in NATO, not a decision related to the entire country.

In democratic states such issues are decided by referendum. However, if a referendum is to be conducted in an of the Democratic Left in Bulgaria is striving was not achieved. At the same time, the foundations for important infrastructure projects in the sphere of power supply, communications, and transportation were established and their implementation is forthcoming. The work related to those projects still is at its earliest stage. Therefore, the upcoming visit of Zhan Videnov to Moscow has a great practical importance.

Yeltsin's invitation to Videnov was preceded by a valuable Russian gesture—a significant quantity of modern combat equipment was given to Bulgaria free of charge. It also became known that the new Russian foreign minister, Primakov, invited his Bulgarian colleague, Pirinski, to visit Russia.

This diplomatic activity, which followed the meeting of National Assembly Chairman Sendov with Yeltsin in Moscow, is necessary and useful to Bulgaria. It is a genuine prerequisite for activating relations with our greatest foreign trade partner.

Bulgaria: Moscow's Influence on 'Presidential Candidate'

AU0602094396 Sofia DEMOKRATSIYA in Bulgarian 1 Feb 96 p 3

[Commentary by Ivan Ibrishimov: "BSP Presidential Candidate Is Being Decided in the Kremlin"]

[FBIS Translated Text] Following his blunder in Moscow, Sendov has made another even bigger and more outstanding one. From his contradictory explanations it turns out that he had said something that he had not said, and it was quoted wrongly and understood even more incorrectly, so that, in the final analysis, it emerges that if Sendov is speaking the truth, then the Russian president is lying.... However, this is not the most important point in the affair, because, from behind the whole spectacle, something else shows through that is no less serious than the issue of our NATO membership. It is the following.

For the moment at least, the BSP [Bulgarian Socialist Party] has two realistic alternatives for its presidential candidate: Sendov, the more moderate of the two, and Pirinski, who follows a harder line. Lilov's and Kamov's candidatures are as yet merely hypothetical. It is also known that National Assembly Deputy Ivan Genov is most likely to be appointed chief of Sendov's election campaign headquarters. Formally speaking, Genov and Sendov visited Moscow together to convey to the Kremlin Zhan Videnov's personal thanks for the military equipment promised and to bring back Yeltsin's personal invitation for the Bulgarian prime minister to meet him. However, it is now becoming clear that Pirinski will fly to Moscow before Videnov. It is the general practice for the foreign minister to prepare the ground for the prime minister's visit, but in this case the person in question is also the BSP's hardline alternative for its presidential candidate. Like Sendov, he also will act as a courier. What exactly he will be taking with him will probably only become known after the Yeltsin-Videnov meeting in March. In the top circles of the BSP, there is much comment about the fact that Sendov's visit was in fact really supposed to mark the start of his presidential election campaign, by indicating that Moscow supports his candidature. However, following his behavior, which was, to put it mildly, rather foolish, the effect produced by the visit is more negative than positive. However, the fact that Pirinski will follow him indicates something more important: Here we are witnesses of consultations in Moscow on selecting not the Russian, but the Bulgarian president. This is very strong evidence that the policies of the Bulgarian Government and Bulgaria are again being decided in Moscow.

Bulgaria: MP Todorov 'Critical' From Gunshot Wound

AU0602075796 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 5 Feb 95

[FBIS Translated Text] At 0730 this morning, Todor Todorov, National Assembly deputy of the BSP [Bulgarian Socialist Party] and chairman of the Parliamentary Agriculture and Forests Commission, was found by his wife in his home in the village of Malino, General Toshevo Municipality, with a firearm injury to his head. At the moment, a team of officers is investigating the incident. The preliminary evidence is indicative of attempted suicide.

An emergency ambulance team from General Toshevo examined the patient and established the presence of a severe firearm injury with loss of brain cells. The patient has been transferred to the hospital in Dobrich, where he is now in intensive care and connected to an artificial respirator.

(?Dr. Pekisyan), chief surgeon at the Dobrich Hospital, has investigated the wound and (consulted specialist colleagues) on the case. In a telephone call to Health Minister Mimi Vitkova, (?Dr. Pekisyan) said that the medical care that Deputy Todor Todorov is receiving in Dobrich is as good as his medical colleagues in Sofia could provide. Todor Todorov remains in the intensive care ward at the hospital in Dobrich. His condition is critical, and it would be wrong to make any prognosis of his future progress, the specialists say.

The above report is an official communique issued by the National Assembly Press Center transmitted by our correspondent Zlatina Georgieva.

In my view, this is a case of a human tragedy that should not be over dramatized, Interior Minister Nachev said concerning the incident involving Deputy Todor Todorov, and added that he could not make any comment until all the details become known.

Czech Republic: Article on Possible Purchase of F-16's

AU0602074796 Prague MLADA FRONTA DNES in Czech 2 Feb 96 p 1

[Article by "km, gag": "The United States Is Offering Fighters First on Lease, Then for Sale"]

[FBIS Translated Text] Prague—The strategic decision on which fighter aircraft will secure the defense of the country is increasingly approaching the alternative of purchasing the U.S. F-16 machines.

The United States has finally disclosed the conditions of sale to the Army. It was precisely this ignorance of the financial conditions of the conceivable purchase of the Western aircraft that led the Army to, among other things, prefer the modernization of the outdated Russian MiG-21 fighter jets as recently as six months ago.

Top secret documents, currently processed by the Army following the conclusion of the work of a special Czech-U.S. commission, indicate that the conceivable supply of the F-16 machines could take place by a combination of leasing and traditional purchase.

Army sources claim that the U.S. bid expects to first lease seven unmodernized F-16 A fighters to the Czech Army for three years at the cost of some 2 billion korunas [Kc]. After 36 months, the United States would sell 16 already modernized F-16 A aircraft. Their price was estimated by the U.S. experts at some Kc6-8 billion.

In addition to this possibility, the Czech-U.S. commission prepared three other options for the rearmament of the fighter Air Force—the purchase of supermodern Western fighters, the modernization of Russian MiG's, and, finally, not to use any of these options. The last possibility is rather hypothetical, however, according to the experts, just as the purchase of brand new machines is, because that is too costly. "The idea of purchasing the F-16 fighters, for instance, would mean that we would have to reassess the entire plan of the rearmament of the Army," one of the experts said.

The Defense Ministry announced that the information regarding the fighters purchase is secret, and it will not comment. Ales Dolezal, an adviser to the defense minister, only observed yesterday that the work of the Czech-U.S. commission has ended and that the material on the rearmament of the fighter Air Force will be submitted to the prime minister in the very near future.

Czech Republic: Minister Views Progress in Industry

96CH0025A Prague LIDOVE NOVINY in Czech 12 Jan 96 p 15

[Article by Vladimir Dlouhy, minister of industry and commerce: "Industrial Growth Is Very Promising"]

[FBIS Translated Text] The British weekly THE ECONOMIST regularly publishes, on its penultimate page, basic indicators of economic developments for countries that belong to the so-called emerging markets in the economies of developing nations, as well as for the nations of Central Europe and Russia. Of the former centrally planned economies (listed by name are those of Poland, Hungary, Russia, and the Czech Republic), the Czech Republic is unequivocally showing the best of these indicators: It has the highest growth rate for the gross domestic product and for industrial production; it has the lowest inflation rate; and, in view of the size of the country, it even has the best foreign exchange reserves.

Economic growth in the Czech Republic is already exceeding the average pace reported in the standard market economies and 1995 became an important turnaround year: Following several decades of continuing and growing obsolescence, the difference between the level of our economy and the economies of developed countries is even beginning to shrink. An important factor that influenced these positive changes is the reversal in the development of industry. Beginning in May 1994, the growth of industrial production has continued; following a moderate vacillation in April of last year, the monthly increments maintained their high level between 7 and 9 percent, and for the nine-month period industrial production, compared with the same period of 1994, in constant prices increased by 7.8 percent. At the end of the year, industrial growth accelerated significantly: In October, it amounted to a record 19.4 percent (in the case of small enterprises employing fewer than 100 workers, the increase actually amounted to 21 percent); in November, growth amounted to 12.9 percent. The high increase in production reported for October was influenced by several extraordinary factors (in October 1995, there were two extra working days), but the growth in industrial production last year was high—and definitely higher than had been expected.

Is it a good thing for growth in industrial production to be so high? Did we not say that the share of industry in the Czech economy was excessively high and had to decline to the benefit of growth in the tertiary sector? Is this industrial growth not more a confirmation of the lower degree of restructuring, as we hear from our critics? First of all, we must still wait several months for conclusions regarding, at the very least, the midterm pace of growth so that the data could be stripped of various seasonal and other deviations. In any event, industrial growth is high and, at the same time, other indicators make it possible to clearly document the fact that this is a very good development.

The weight and the output of the service sector increased substantially as far back as a year before 1995 (a share of the tertiary sector in the GDP for the years 1990 and 1994 rose from 40 percent to virtually 54 percent, whereas the share of industry declined from more than 43 percent to 35 percent), and it would seem that the first wave of rapid growth in demand for all of these services is beginning to be satisfied. In 1994, there was also a more specific growth in the construction industry (an increase of 7.5 percent). But what is the most important: The Czech Republic has always been a country with a highly developed industry that will continue to make significant contributions to the growth of the GDP. This is not, perhaps, because this is the desire of the politicians, but because an industrial potential exists here; a tradition in the area of engineering and, in general, the processing industry, but also because we are beginning to see signs of the effects of existing economic policy: the economic reforms and the liberalization, privatization, tax reform and tax reduction, as well as some accommodating steps with respect to enterprises in terms of the write-off policy, and other steps.

An important favorable influence upon the growth of industry is being exerted by the expansion of domestic demand, primarily by demand for capital goods (the growth of investments for the years 1994 and 1995 amounted to 16.3 percent and 11.2 percent, respectively). This is important: On the one hand, it attests to the overall economic recovery; on the other hand, it represents a promise for the future because our industry, of course, requires modernization—imports of machinery and installations into the Czech Republic are showing a better than 30-percent growth rate. Following a longer interval, the other accompanying characteristics of industrial production are also changing in a positive direction. We are seeing a decline in energy requirements, which have declined by more than 10 percent in the case of large-scale customers. With the exception of the rubber and plastics industry and the production of electrical and optical instruments, productivity in all branches is growing more rapidly than the production of goods. At the same time, the dynamics of real wages last year were lower than the growth of productivity (by 1.4 percent for a nine-month period). The more rapid growth rate is not encountering any bottlenecks—in other words, there are no problems with the availability of raw materials, fuels, energy, or subdeliveries; this is not a matter of course in those economies that are transforming themselves after growth has begun.

I do not want to create the impression that everything is without problems in Czech industry—I know that this is not the case by far. But I am happy to note the favorable turnaround, which is undoubted, and at the same time I expect a dynamic development to take place in industrial production in this year as well. This optimism is based on a number of facts. Together with the rapid growth of small industrial organizations (beginning in 1992, these have reported an interyear growth rate of more than 20 percent), growth is now also accelerating in the large enterprises (Skoda Plzen, the enterprises in Prague and Brno, the ZDAS [Zdar Engineering Plants and Foundries], the Prerov Engineering Plants, and others). Sales conditions are good, both in the domestic market and also abroad. I believe that following the slowdown in the first half of last year even exports will continue to grow. With the progressing consolidation of the financial and capital markets, there will even be consolidation of ownership structures involving large-scale industrial enterprises, and privatization will perhaps be completed (including Ostrava metallurgical plants and others).

Czech industry deserves a good reputation in the world; in a number of cases it still has that reputation and in many cases the current growth will lead to revival of this reputation. However, I would like to see our industry improve its standing at home as well. Investments, modernization, and access to developed technologies will change the image of industry—something that is perhaps far more important than we perceive at the present time. It will lead to the rehabilitation of technical education, ranging from apprentice facilities through the specialized industrial middle school system all the way to returning meaning to advanced technical education, in a manner deserving of the traditions and past of industry.

Czech Republic: Lower Taxes, Economic Growth Urged

96CH0025B Prague RESPEKT in Czech 7 Jan 96 p 3

[Commentary by Jan Machacek: "Rapidly but Still Slowly"]

[FBIS Translated Text] A few days before Christmas, the Czech Statistical Office published surprisingly optimistic data regarding economic growth for the third quarter of 1995. In comparison with the same period of 1994, overall output of the economy rose by 6.3 percent. This is hitherto the largest number to be reported since November 1989 and thus also in the history of the Czech state. As early as the beginning of December, the same office published even encouraging numbers regarding the interyear growth of industrial production (the interyear October growth is 18.8 percent). Happiness and satisfaction were this time heard not only from the mouths of government politicians ("A faster pace is not possible, it does not exist"—Klaus), but also from journalists. The listed numbers are truly positive and to choose this very moment to begin nagging and warning will appear as "criticism at any cost"; nevertheless, self-praise and resting on one's laurels is worse.

First, a necessary technical remark: The interyear growth rate for industrial production of almost 19 percent, recorded in October, is at least 5 to 6 percent overestimated because in October of 1994 the Skoda Plant at Mlada Boleslav was making a transition toward the production of consumer goods and virtually halted production. This is also being recognized within the Czech Statistical Office. This fact is undoubtedly reflected even in the growth rate for the GDP in the third quarter—approximately to the extent of 1 percentage point. To the extent to which the overall growth of the GDP for 1995 will be around 5 percent, this does not represent such a great surprise in comparison with the original estimates (4.8 percent).

In other words, in the third quarter of last year—at least statistically—we overtook Poland in terms of economic growth for the first time. However, in terms of the overall numbers for 1995 we shall end up, at best, on the same level as our northern neighbors (in Poland, growth is estimated at 5.2 percent). Moreover, economic recovery is being reported today already by the majority of the postcommunist economies and Russia is figuring on it for the first time for this year. To the extent we believe Slovak statistical data, the most dynamic growth in Europe will be achieved by Slovakia in 1995 (around 6 percent). These data will not be affected even by the fact that Slovakia partially supports this growth through an economic deficit (30 billion Slovak korunas) as well as by extrabudgetary investments, and that Poland is "heating up" its economy through a high inflation rate (22 percent).

But even if we were to be "the best and the healthiest" in Central Europe, comparing ourselves with our poor relatives does not make a great deal of sense. We must compare ourselves with Western Europe, which continues on average to be three times richer than we are; at the present pace, we shall catch up with it in approximately 40 years.

Vaclav Klaus claims that a more rapid economic growth is not possible. One cannot agree with this. It was clearly not possible last year, but in future years it is absolutely essential. Our principal competitors are not Poland or Hungary, but some nations in eastern Asia. For example, Malaysia itself will receive an influx of as much foreign investment in a single year as the entire Central European region receives over five years. An economic growth rate of around 12 percent but even 20 percent in the east Asian region is not only [illegible], but is even customary.

In our geographic latitudes, that sounds a lot like science fiction. Nevertheless, the government can take a number of steps to make this dream become reality. However, it sounds like a hackneyed tune: It is necessary to finalize the liberalization of prices; to use the most varied instruments with which to support the functionality of commercial courts; to radically simplify and revise legislation; to stimulate citizen savings and investments through tax measures; to devote more attention to the capital market and to bring its structure more in line with that of the standards which are customary through the world. And what is perhaps most important—it is necessary to radically lower taxes. We simply cannot afford a redistribution system that is higher than or equally as high as that which is in place with our western neighbors.

The present government, at least verbally, proclaims these goals and even sometimes realizes them, albeit on a small scale and hesitantly. The expressions of the opposition in this direction are unfortunately sluggish and enough to drive one mad. For example, its chief, Milos Zeman, in his recent "economic" interview given to MLADA FRONTA DNES, while stressing that given the current pace of growth we would be catching up to Western Europe for the next 50 years, excluded the possibility of lowering taxes (public services are not allegedly provided for). And so, the chairman of the Social Democrats considers a proexport policy to be the sole instrument to accelerate growth. But he no longer specifies what it is he visualizes by this in detail.

Slovakia: EU Association Committee Issues Communique

AU0602103296 Bratislava PRAVDA in Slovak 3 Feb 96 p 2

[CTK report: "According to the Communique, They Discussed the Full Gamut of Slovak-EU Relations"]

[FBIS Translated Text] Bratislava—The preparations for a session of the Council for Affiliation Between the European Union (EU) and the Slovak Republic, which should take place on 27 February at the foreign ministerial level, were on the agenda of the two-day meeting of the Slovak-EU Association Committee, which came to an end in Bratislava yesterday. According to the official communique, the "full gamut" of mutual relations was discussed. "The main emphasis was placed on the issues of mutual economic cooperation and trade exchange," said Lubor Bystricky, director of the Slovak Foreign Ministry's Department for European Integration, to CTK apropos the committee's talks. The law on the state language, the planned laws on the use of minority languages and foundations, and the delayed ratification of the Slovak-Hungarian treaty were also discussed. L. Bystricky admitted that the proposed Slovak import surcharge, which requires a political decision from the government, was "one of the few open issues." The communique praises the "very positive" economic growth in Slovakia and states without further commentary that many of the issues discussed concerned Slovak privatization policy. According to the communique, the "importance of high safety standards in the completion of the Mochovce nuclear power plant" was also discussed.

Slovakia: NRSR Opens 13th Meeting, Finalizes Agenda

AU0602075696 Bratislava NARODNA OBRODA in Slovak 1 Feb 96 pp 1-2

[Report by "NO": "National Council of the Slovak Republic Deputies Approved Amendment to Law on Banks"]

[FBIS Translated Excerpt] Bratislava—The 13th meeting of the National Council of the Slovak Republic [NRSR] opened yesterday. The deputies expanded its original 18-point agenda by one item—the draft constitutional law on the application of basic rights and freedoms in self-administration, submitted by Democratic Union [DU] deputies. The main item on the agenda of the first day of the meeting was the government-sponsored draft amendment to Law No. 21/1991 on Banks. Of the 122 deputies present, 100 voted for, 20 against, and two did not participate in the vote.

The deputies refused to add to the agenda of the meeting several legal norms concerning privatization. This concerned the proposals of Brigita Schmognerova of the Party of the Left [SDL] and Ludovit Cernak (DU) to amend the law on the protection of the strategic interests of the state in the process of privatization by incorporating into the list of companies that must not be privatized the four most important financial institutions, whose privatization by mid-February has been announced by Vladimir Meciar. The NRSR also refused to vote on the proposal of Mikulas Dzurinda of the Christian Democratic Moment [KDH] to pass a resolution asking the prime minister to inform parliament on the course of privatization of the aforementioned financial institutions. Likewise, deputies rejected the proposal of Jan Langos (KDH-Democratic Party) to vote on dismissing National Property Fund [FNM] President Stefan Gavornik. The proposal of Michal Bencik (SDL) to discuss an amendment to the law on the Supreme Inspection Office [NKU] that would authorize the NKU to control the FNM did not pass by a mere three votes. Parliament did not endorse Jan Langos's proposal to make it incumbent upon the government to request the return of Michal Kovac Jr. from abroad. The initiative of Ivan Simko (KDH) to replace, in conformity with the Constitutional Court's ruling on the [unconstitutional nature of] parliamentary commissions of inquiry, the existing parliamentary bodies for supervising the activity of the Slovak Information Service and Military Intelligence with the relevant parliamentary [Defense and Security Affairs] committees, encountered the same fate. Jozef Kosnar's (SDL) proposal to discuss an amendment to the law on minimum wages and Frantisek Miklosko's (KDH) proposal that the minister of interior submit a report on the course of investigations into the forgery of Association of Workers of Slovakia petition sheets did not pass either. Zora Lazarova (Movement for a Democratic Slovakia-Slovak Green Alternative) proposed that the NRSR discuss the law on the protection of the Republic. However, only nine deputies gave support to this idea.

Debate on the Amendment to the Law on Banks

The government-sponsored draft amendment to Law No. 21/1991 on Banks was introduced by Deputy Prime Minister and Finance Minister Sergej Kozlik.

The amendment defines in greater detail and reinforces the powers of the National Bank of Slovakia Banking Supervision [Authority]. Changes introduced by the amendment also concern the procedure in establishing banks and the regulation of their economic activities. Exceptionally important is the proposal that addresses the problems of mortgage banking. By introducing this type of activity, the banking sector reacts to the need to revive capital investment, particularly housing construction. [passage omitted]

A total of eight deputies took the floor during the debate, putting forward 45 modification proposals. In voting on them, the deputies disagreed with the proposal to restrict trading in bank shares but accepted the proposal to include Slovenska Sporitelna [Slovak Savings Bank] in the list of banks that will be restructured with state participation. A total of 122 deputies were present during the vote on the draft amendment to the law on banks, with 100 of them voting in favor, 20 against, and two not participating in the vote.

Slovak Economy Minister Jan Ducky then introduced the document "Industrial Policy of the Slovak Republic," which the Slovak Government approved on 26 September 1995. [passage omitted] The parliamentary debate on this document will continue today.

Slovakia: NRSR Debate on Approved Anticommunist Law

AU0602092896 Bratislava NARODNA OBRODA in Slovak 3 Feb 96 pp 1-2

[Article by Ivan Samel: "National Council of the Slovak Republic Passed Law on Immorality and Illegitimacy of Communist System"]

[FBIS Translated Text] Bratislava—According to the approved agenda of its 13th meeting, the National Council of the Slovak Republic [NRSR] was to discuss yesterday an amendment to the law on the transfer of state property to other persons. Because of the illness of Peter Bisak, minister for the administration and privatization of national property, who was to submit the draft, the deputies adjourned the debate on this amendment until Wednesday of next week.

Therefore, the only item on the agenda was the bill on the immorality and illegitimacy of the communist system, proposed by Peter Brnak and Arpad Tarnoczy, Movement for a Democratic Slovakia [HZDS] deputies. The bill designates the regime based on communist ideology that ruled from 25 February 1948 until 17 November 1989 as criminal, illegitimate, and reprehensible and the Communist Party of Czechoslovakia and the Communist Party of Slovakia as criminal organizations. It presupposes the installation of a plaque dedicated to the participants in anticommunist resistance in the NRSR vestibule, addresses some questions concerning the rehabilitation of participants in anticommunist resistance, and excludes the aforementioned historical period from the prescription of crimes, if the culprit was not sentenced or if charges were dropped for political reasons. In the debate on the bill on the immorality and illegitimacy of the communist system, deputy Ivan Simko (Christian Democratic Movement [KDH]) put forward a comprehensive modifying proposal, the aim of which was to expand the denunciation to all totalitarian and criminal regimes and tendencies. In his introductory remarks, Simko referred to the fact that the secret service continues to be supervised by a nonpluralistic control body, to the house search conducted in the residence of Bishop Balaz, and to the circumstances of the investigation of Michal Kovac Jr.'s kidnapping. The legislature did not accept Ivan Simko's modifying proposals. Jan Cuper (HZDS) put forward several proposals that softened some formulations of the original draft. Parliament approved a change in the designation of the communist regime from "criminal and reprehensible" to "worthy of condemnation" as well as a change in the characterization of the Communist Party of Czechoslovakia and Communist Party of Slovakia from "criminal organizations" to "parties that did not prevent their members from committing crimes against human rights and freedoms." Cuper's proposal that the responsibility for the crimes be individual and that it not concern functionaries and members of the communist party in general was also approved.

Robert Fico (Party of the Democratic Left [SDL]) said that the bill was exceptionally full of contradictions. In his opinion, it introduces collective guilt, and other points violate the Bill of Rights and Freedoms. He also said that the provisions that exclude the period of communist rule from the statute of limitations introduced retroactivity into criminal law and declared that he could on no account vote for such a bill. Peter Weiss (SDL) voiced the view that the communist regime is being condemned in a way that introduces the very same mistake—people are being told by law what to think about a period in which they lived. Zora Lazarova (HZDS-Slovak Green Alternative) proposed that the name of the law be changed to Law on Giving Moral Satisfaction to Those Persecuted by Communism because, in her opinion, the communist system was not illegitimate because it had come about as a consequence of free elections. The legislature did not approve this proposal. The bill as a whole was approved by 63 of the 110 deputies present.

The NRSR meeting is to continue on Wednesday. On its agenda are, among other issues, the ratification of the treaty on state borders between the Slovak Republic and the Czech Republic, an amendment to the law on the protection of state secrets, and the draft of a constitutional law on the application of basic rights and freedoms and self-administration.

[On the same day, on page 2, Bratislava NARODNA OBRODA in Slovak carries a 400-word roundup of NRSR deputies' reactions to the passage of the law on the immorality and illegitimacy of the communist system. HZDS Deputy Peter Brnak, one of the authors of the bill, is quoted as having told NARODNA OBRODA that he "regards highly" the fact that, "in spite of its composition, parliament found the strength and approved the law." As Brnak reveals, 92 of the 150 NRSR members used to be members of the Communist Party.]

Slovakia: Parliament Vote on Communism's Illegitimacy

AU0602092996 Bratislava SME in Slovak 3 Feb 96 p 2

[Report by "alg, bog": "Survey of Voting on Law on the Immorality and Illegitimacy of the Communist System"]

[FBIS Translated Text] Bratislava—The Slovak Parliament yesterday passed the Law on the Immorality and Illegitimacy of the Communist System, submitted by Movement for a Democratic Slovakia [HZDS] deputies A. Tarnoczy and P. Brnak.

For the passage of the law voted:

Movement for a Democratic Slovakia [HZDS]: I. Andrejcak, M. Baranik, M. Bartosikova, I. Belohorska, A. Bielikova, P. Brnak, T. Cabaj, J. Cuper, J. Copik, J. Fekete, J. Fidrik, E. Garajova, F. Gaulieder, P. Halabrin, J. Hanker, R. Hofbauer, V. Homola, F. Horal, A. M. Huska, A. Kolesarova, S. Liska, L. Lysak, D. Macuska, A. Matejka, V. Mikulka, L. Novotny, J. Obsitnikova, J. Rea, M. Secansky, J. Smolec, J. Stranak, P. Suchodolsky, F. Svec, A. Tarnoczy, M. Vanko, V. Vicen, J. Volny, K. Zahatlan

Slovak National Party [SNS]: K. Hatapka, B. Kunc, J. Prokes, R. Septak

Hungarian Coalition (MK):L. Asvanyi, Gy. Bardos, B. Bugar, A. Duka-Zolyomi, P. Farkas, B. Ferko, J. Kvarda

Christian Democratic Movement [KDH]: J. Carnogursky, M. Dzurinda, M. Gala, P. Hrusovsky, F. Javorsky, P. Lauko, F. Miklosko, J. Miklusicak, M. Mikolasik, G. Palacka, L. Pittner, M. Sabolova

Democratic Union [DU]: R. Filkus, I. Rosival

Against the passage of the law voted:

HZDS: M. Maxon

Association of Workers of Slovakia [ZRS]: M. Barna, J. Garai, J. Glinsky, K. Kolnik, H. Kraus, J. Luptak, A. Naroda, M. Pacola, M. Polak, A. Poliak

Party of the Democratic Left [SDL]: M. Bencik, M. Durisinova, R. Fico, L. Fogas, M. Ftacnik, P. Kanis, J. Klein, P. Koncos, J. Kosnar

Social Democratic Party of Slovakia [SDSS]: M. Gburova, J. Volf

Abstained:

HZDS: T. Cingel, P. Delinga, P. Derfenyi, J. Gantnerova, V. Hornacek, Z. Lazarova, M. Novak, I. Novakova, M. Oravec, I. Rapaicova, J. Sudekova

ZRS: T. Chlebova

SNS: J. Pasko

KDH: I. Simko

MK: E. Bauerova, L. Koteles

Party of Greens in Slovakia (SZS): A. Juris

DU: L. Cernak, L. Harach, E. Kukan, J. Moravcik, E. Rusnakova, T. Sagat, R. Vavrik

Did not vote:

DU: R. Kovac

Absent:

HZDS: M. Aibekova, J. Danko, A. Fedor, I. Gasparovic, K. Konarik, L. Muskova, L. Polka, D. Slobodnik, L. Tarcak, I. Urban, E. Zelenayova

SNS: M. Andel, V. Moric, J. Slota, M. Kollarikova

ZRS: J. Borovsky

SDL: P. Magvasi, J. Pribilinec, B. Schmognerova, V. Sopko, P. Weiss

SZS: J. Pokorny

KDH: J. Brocka, J. Figel

Democratic Party: J. Langos

DU: V. Bajan, A. Hrnko, M. Knazko, J. Svec, V. Vaskovic

MK: Z. Boros, P. Csaky, M. Duray, Z. Komlossy, L. Nagy, I. Pasztor, E. Rozsa, L. Szigeti

Independent: M. Kocnar, L. Roman

Slovakia: Arms Production Discussed With Russians

AU0602112396 Bratislava NARODNA OBRODA in Slovak 3 Feb 96 p 1

[TASR report: "A Working Group Discussed Arms Production"]

[FBIS Translated Text] Bratislava—Questions of bilateral cooperation in the production of certain types of military equipment was the topic of the second session of the Slovak-Russian working group in the sphere of special equipment. The Russian part of the group was led by Aleksandr Rodionov, deputy chairman of the Russian Federation Economic Committee for Defense Industry Sectors, while the Slovak part was led by Jozef Brhel, state secretary of the Economy Ministry of the Slovak Republic. The possibility of producing consumer goods in arms factories was discussed, and opinions were exchanged on the problem of arms-manufacture conversion, as was the possibility of creating a basis for military-technical cooperation between the two countries.

[Bratislava SME in Slovak on 3 February on page 2 carries a similar report as "released by the Embassy of the Russian Federation to the Slovak Republic" that adds the date of the Bratislava session—"29 January-1 February"—and the information that "The Russian delegation visited some engineering enterprises."]

Slovakia: DS Criticizes Ties to Yugoslavia, Russia

AU0602111696 Bratislava SME in Slovak 3 Feb 96 p 3

[Report by "jo": "Democratic Party: Western States' Lack of Interest Being Compensated in Russia and Yugoslavia"]

[FBIS Translated Excerpt] Bratislava—The Democratic Party [DS] is convinced that the interests of the Slovak Republic would benefit from the Slovak Government's greater restraint in relation to countries that are having visible problems with the observance of democratic standards, DS Chairman Jan Langos said yesterday. He added that this applies to relations with Russia as well as to relations with Yugoslavia. The DS chairman said that it was characteristic that Slovak Government representatives with the prime minister at their head visited Belgrade at a time when Western states are hesitant and keep postponing the recognition of Yugoslavia. Vladimir Meciar is trying to compensate leading Western states' lack of interest by means of ostentatious contacts with countries of Russia's and Yugoslavia's ilk, Langos declared. [passage omitted]

Slovakia: Daily: Doors Opening to Western Buyers

AU0602103696 Bratislava NARODNA OBRODA in Slovak 1 Feb 96 p 5

[Commentary by Milan Kisztner from the Center for Economic Development: "Privatized Property in Slovak Hands Is Leering at Western Buyers"]

[FBIS Translated Text] The longstanding "linguistic" problem concerning the proper rendition of Germany's name in Slovakia, which stood in the way of signing 11 agreements between the two countries, seems to have been solved. This artificial barrier, aimed at keeping foreign investors at a safe distance from privatized property, was removed at the very moment that two contradictory tendencies are culminating on both sides—Western disapproval of Slovak Government policies and the process of transferring most state property into private, overwhelmingly Slovak, hands.

According to available information, in 366 out of 371 cases of direct privatization sales in 1995, the buyer was a domestic entity. High-ranking officials responsible for privatization officially admit that the property that has found itself in the hands of domestic buyers will in the near future be sold abroad on a large scale. The doors between the Slovak Republic and the West, locked heretofore from both sides, thus appear to be slowly opening on the Slovak side. The question is whether the West will accept this vague offer. The problem dwells in the image of our country, which is the second of the two impacts of the Slovak method of privatization. Unlike the first impact, however, this time it is a phenomenon that the government does not desire. As the system of privatization far from meets the requirement of "having one's cake and eating it, too," those defeated in the struggle for the privatization pie will need a long time to find common language with the winners, which could negatively influence the domestic political scene. Moreover, by the cheap sellout of state property, the government lost the chance to finance the nonstandard costs associated with transformation by means of nonstandard proceeds. This means that the cost of solving the banks' "bad loans" or problems on the labor market will have to be financed predominantly from taxes. As a result, taxes will have a tendency to stay at a higher level than in nontransforming countries or in transforming countries that use privatization proceeds in the systemically proper way. And high taxes are resented by not only foreign but also domestic entrepreneurs. Privatization is thus reaching a phase when the doors to the West are gradually starting to open. However, the question is whether the method of its implementation will not become another barrier to their opening, erected this time on the other side.

Slovakia: Chairman of DS on Future of Party

96CH0026A Prague TYDEN in Czech 2 Jan 96 p 34

[Interview with Jan Langos, chairman of the Democratic Party, by Milan Zitny in Bratislava; date not given: "We Do Not Wish To Repeat Mistakes"]

[FBIS Translated Text] [Zitny] In the parliamentary elections that were held the year before last, the Democratic Party [DS], led by Ivan Miklos, did not exceed the 5-percent limit. Public preferences have not grown too much, not even under your predecessor, Peter Osusky. How do you want to come to terms with this "curse"?

[Langos] In traveling across Slovakia in recent months, I found that the DS has a whole mass of capable people who are interested in political work. They lack the cohesiveness of a membership base and also any direct contact with the Bratislava leadership. If the internal life of the party renews itself, then I am convinced that the DS will prevail. I would like to become an integrating factor, and being elected to the office of chairman of the DS poses this challenge as well as obligation.

[Zitny] The functioning of a political party swallows up a whole lot of money, but the entrepreneurial sector is mainly supporting the Movement for a Democratic Slovakia [HZDS] and the Slovak National Party [SNS].

[Langos] Last year, even the DS was receiving offers of this type. The DS, together with the other democratically oriented parties, will be capable of creating a better alternative to the existing government coalition, which is behaving crassly and ungenerously even toward the entrepreneurial stratum.

[Zitny] You, of course, in your struggle for the Slovak voters, are currently not fighting with the HZDS or the SNS as much as with those entities that could form a coalition with you. I have in mind the Democratic Union (DU) of Moravcik and the Christian Democratic Movement (KDH) of Carnogursky.

[Langos] Yes, that is a key problem. We wish to continue negotiating with them and to give the voters the assurance that we are capable of forming an effective coalition in sufficient time prior to the elections.

[Zitny] And how will you come to agreement, say, with Jan Budaj, deputy chairman of the DU? Prior to November, you were friends; he was deputy chairman of the VPN [Public Against Violence], but then, together with Milan Knazko, he established the HZDS. How do you intend to overcome disputes involving a one-time "worthy" opponent?

[Langos] The Democratic Union will either attempt to push through clearly liberal principles—something we shall support from the outside—or it will disintegrate under the influence of discordant views and personal disputes.

[Zitny] The KDH, through its chairman, Carnogursky, defends a "balanced" policy with respect to the West as well as Russia. You emphatically favor orientation toward the West. Does this not complicate your relationship with the KDH?

[Langos] Within the KDH, it is possible to trace two levels—an emotional one and a practical one. The practical level tends to prevail at the moment a decision is to be made as to where Slovakia should line up.

[Zitny] Ivan Simko, deputy chairman of the KDH, says that the small parties should clear the area so that the votes of Slovak rightist voters will not be lost. He was undoubtedly speaking to your party.

[Langos] The Democratic Party has two years in which to find its own political image and to acquire more than 5 percent of the potential number of voters. One year prior to the election, it must be clear whether it has succeeded. That will be the time to respond to this challenge.

Hungary: Expert on Russia's Expected Foreign Policy

AU0602124896 Budapest UJ MAGYARORSZAG in Hungarian 3 Feb 96 pp 1, 3

[Interview with Nikolay Izvekov, political expert at the Russian Foreign Policy Association, by Laszlo Daroczi in Moscow; date not given: "Russian Expert in Favor of Closer Relations—Hungarian Foreign Minister To Travel to Moscow"]

[FBIS Translated Text] We learned from press circles in Moscow that Hungarian Foreign Minister Laszlo Kovacs will visit Moscow in the near future, perhaps in the second half of February, to meet with his Russian colleague Yevgeniy Primakov, who replaced former Russian Foreign Minister Kozyrev and who left the position of head of the foreign intelligence service for the position of foreign minister. In connection with this visit, Nikolay Izvekov, political expert at the nongovernmental but respectable Russian Foreign Policy Association, an expert with several decades of diplomatic experience, answered our questions.

[Daroczi] Will the change at the leadership of the Russian Foreign Ministry affect Russia's relations with the Central European countries, including Hungary? If so, how?

[Izvekov] In my absolutely personal opinion, we cannot expect a radical change in Russian foreign policy, because the new minister is not a beginner but a seasoned politician with experience in foreign policy as well. At the same time, certain nuances and adjustments are inevitable. The reason behind these minimal changes is that rumor says Primakov thinks Russian foreign policy is not sufficiently balanced: so far, it has been directed toward the West too much. The new foreign minister's series of visits to the so-called neighboring foreign states is part of the adjustments aimed at restoring the balance. Yevgeniy Primakov will most probably continue building contacts with countries relatively close to Russia's borders, including Central European countries. Hungary is one of these countries, one that once occupied an important place in our political and economic relations. It seems, therefore, that the new foreign minister will attribute greater attention to this region than before.

[Daroczi] What could this "greater attention" mean specifically?

[Izvekov] Of course, I do not see the cards of our Foreign Ministry but, as an independent analyst, I can envisage a development in which, based on mutual interests, Russia and Hungary would intensively develop or revive their economic relations. Economic relations supplemented by cultural and scientific cooperation can also serve as a basis for good political relations. Therefore, I think that it is worth strengthening Hungarian-Russian cooperation by all means.

[Daroczi] The planned NATO enlargement is one of the major issues today. What Russian opinion can one of the candidates in the region expect, namely, Hungary?

[Izvekov] To a certain extent, this is a painful and clearly negative issue for the Russian side; this explains the national consensus in evaluating this issue. It is worth, however, differentiating between the emotional and rational approaches. In the framework of the latter, Russian foreign policy experts see a danger in NATO's eastern expansion primarily in the fact that this would totally upset the military-political balance in Europe. In addition, the current troops and arms limitation agreements will also change, particularly the agreement on conventional armed forces. For example, in the event four Visegrad countries become NATO members, this agreement would become disadvantageous for Russia and this is why Russia regards it as unacceptable to upset the balance.

Of course, there are quite a few emotion-induced opposing opinions as well. For example, for decades Russia regarded NATO as a means of threatening this country. And the Russian thinking has not yet changed to such an extent to basically change our evaluation of NATO.

Hungary: Parties View Legislative Session, Coalition

AU0602112496 Budapest UJ MAGYARORSZAG in Hungarian 5 Feb 96 p 4

[Interview with representatives of six parliamentary parties by "bertok-csaszar-hardi-megyeri"; place and date not given: "Confident Opposition, Determined Coalition—Only the Smallholders Expect Premature Elections"]

[FBIS Translated Text] [Each party representative was asked two questions:]

1. What issues will your party concentrate on in parliament's spring session?

2. Will the government coalition survive this year or will new elections be needed?

Lajos Fur, chairman of the Hungarian Democratic Forum:

1. As a former defense minister, I do not think the services law, which would settle at last the situation of those serving in the armed forces, can be further delayed. It would also be important for the law to

come into force next year, not only from 1999. This is important because it will make it possible for the regular staff to have a much more favorable wage system. A 50-to-80-percent wage increase would be fair when the new placements are made on the payroll. If the law is further delayed, it is to be feared that more and more people will leave these forces. Naturally, it is also essential to pass several other laws in the coming six months. One of these is the law on state administration, for example.

2. I would not like to make irresponsible predictions as is done by the leader of another party; nevertheless, I believe that the government will last until the end of the year. I base this opinion on the fact that the two coalition parties do not have a major tension which would make them split. Naturally, it is also a question of what situation the internal conflicts of the Hungarian Socialist Party [MSZP] will bring about at its March congress. Those concerned about the coalition should mainly pay attention to the millions who, unfortunately, are now in an apparently hopeless situation and will be even more so due to the increased bills, higher price of prescription drugs, and other restrictions. If they do not force a change, then the government will stay because it is almost impossible to constitutionally force it to resign.

Jozsef Torgyan, chairman of the Independent Smallholders Party [FKGP]:

1. It is the government's responsibility and constitutional right to submit the schedule on the basis of which parliament will perform its legislative work. As an opposition party, we are forced to accept the government's schedule and use it as a starting point. We would find it especially important if, in the interest of parliament's honest functioning, the law on incompatibility was put on the agenda. We also hope that we will discuss the law on higher education in the coming season and we would welcome it if emphasis were given to economic legislation. According to the FKGP's stance, decisions determining our future are of primary importance: economic legislation and measures brought in the interest of the future generation.

2. I can only repeat what I have already said: no. The coalition of the MSZP and the Alliance of Free Democrats [SZDSZ] is a coexistence of fire and water. The sides have neither confidence in each other nor agreement and as they have, to put it mildly, caused disappointment to the electors, Hungarian society rejects this coalition. No force exists which could hold the MSZP-SZDSZ marriage of convenience together for long. Even the liberal media hegemony will not be able to cover up the gap between the coalition partners for long. When the SZDSZ breaks up the coalition agreement, it is possible that the remaining party will last for a while on its own, but its government majority will continuously and quickly dwindle and the various wings will leave the MSZP.

Tamas Isepy, parliamentary group leader of the Christian Democratic People's Party [KDNP]:

1. As can be seen from the government's legislative plan, it is looking on parliament with overflowing confidence because it is requesting 67 bills to be passed. If I add that we must also pass the laws on the incompatibility of deputies and the concept of the constitution, then a rich and optimistic imagination is needed for these plans. I would very much like the laws on mortgage, the one regulating pension insurance, and the one establishing fair competition to be accepted, plus the ones on child protection, animal protection, the protection of historic monuments, and environmental protection. It would also be important for at least the concept of the constitution to be drawn up in the year of the mille-centenary. It is also the opposition's responsibility to make the work of the three investigating committees which have so far been set up—on the issue of the Budapest Bank, the management of health insurance, and the so-called oilgate committee—more efficient. It is a bad sign that the chairman of the oilgate committee had to complain that he had not received all documents.

2. The coalition marriage will last to the end of the parliamentary cycle. The reason is that one of the partners would have to initiate the split and neither of them is willing to do this because their interests bind them together. However, in this situation, the opposition is only able to counterbalance the government's dominance through cooperation.

Jozsef Szajer, parliamentary group leader of the Federation of Young Democrats-Hungarian Civic Party [FIDESZ-MPP]:

1. I do not expect anything good from the coming period. The year 1996 began by the government announcing further reductions in family benefits, we met with a wave of price increases, inflation has shot up and, in addition to this, the negative effects of the Bokros package will mostly appear this year, not mentioning the latest, even worse tax laws. The FIDESZ considers two issues to be of primary importance in which it wants to take steps. One is to stop the deterioration of the quality of life of families with children, and the other is the suppression of corruption and the linkages between politics and the economy.

As I attribute the deterioration of the situation of families and the spread of corruption and the illegal economy to the current government coalition's measures, I am pessimistic about the coming period. In addition, according to experience, this government does not even consider these problems to be important issues.

2. As the current government parties will not have another chance to acquire such a government majority, they will obviously try to delay handing over power as much as possible. They have created the conditions for this by parceling out the roles within the coalition: The economy and privatization were given to the MSZP, and the SZDSZ acquired the possibility and the monopoly of influencing the cultural sphere. The pact was made, and it promises to be a lasting cooperation between them.

Alajos Dornbach, chairman of the SZDSZ's National Council:

1. In my view, it would be very important for the laws and amendments serving economic stabilization and the rules representing the reform of state administration to be completed because these have a positive influence on economic processes. I am thinking, for example, of the law facilitating fair economic competition, the proposals on mortgage, financial institutions, and the amendment of the laws on the central bank, social insurance, and state administration. It is at least as important to amend the so-called III/III law and the legislation on compensation to be ended. Parliament will also repay an old debt by drawing up the law on incompatibility and at last preparing the laws on forest, historic monument, child, and nature protection. We are also to deal with the proposal on the debt management of local governments.

2. I cannot see any reason for the breakup of the government coalition to be raised because the coalition partners do not have any important disagreements at the moment. The conflict which indicated heated political debates—on the method of using the additional privatization incomes—was resolved in the end because the MSZP also agreed to the opinion of several experts of international renown, including Janos Kornai.

Monika Lamperth, deputy parliamentary group leader of the MSZP:

1. We are facing a very serious legislative period in 1996. We list the tasks in three groups. According to this, in the area of public law, preparation of the new constitution occupies a prominent place, and the reform of local government and electoral systems also come under this. The reform of state administration and the amendment of related laws belong to the second group. Rethinking higher and public education, and pension insurance and health care within the social insurance provision system will have an important place and role in this. We consider it necessary to again reassess the taxation system because, for example, the financing problem of local governments cannot be solved without this. The coalition parties agree that the role of local taxes has to be increased, but this would only be possible if the central taxes were mostly reduced because the tax burden of citizens can no longer be increased.

2. The coalition is in a stable situation. This year will again be characterized by cohesion between the two parties. We must take further definite steps in implementing the government program, and the MSZP and the SZDSZ are united in this. The MSZP congress cannot be expected to form a significantly different stance from this.

Hungary: Academician Compares MDF, MSZP Positions

AU0602093496 Budapest MAGYAR HIRLAP in Hungarian 2 Feb 96 p 7

[Article by political scientist Attila Agh: "Gathering Parties Before Their Congress"]

[FBIS Translated Text] The contradictory parallel of the Hungarian Democratic Forum [MDF] and the Hungarian Socialist Party [MSZP] runs through the political history of recent years, and it appears especially pointedly before the March congress of the two "gathering parties." The year 1992 was the year of the MDF's spectacular disintegration, although the complete split only happened in 1993. Many people seem to see a parallel in that, similarly, 1996 will be a year of disintegration for the MSZP, which will culminate in 1997, and the leading government party will again arrive crippled at the next elections. Parallel processes can undoubtedly be observed in the two big parties. The fact that they did not manage to create and run an organizational party and a movement at the same time proved to be the biggest contradiction in the case of both parties. During the period of governing, this led to a decline of the movement party, which radicalized the movement activists. Similarly, both parties proved to be unable to appear as program parties. The MDF only had an image of the past which it tried to sell as the image of the future on the political market. Even now, after the great defeat, it is incapable of recognizing that no demand exists for this in Hungary. On the other hand, the MSZP is lost in its pragmatism. It is not even trying hard to formulate a real party program.

The common weaknesses as program parties obviously play a major role in both parties' terrible media performance and in their political communication with the population being counterproductive. However, this appears differently on the surface. According to common views, the press does not like the MDF but supports the MSZP. It is true that the MSZP's coming to power brought a welcome change compared to the pride and arrogance that characterized MDF rule. Although the Socialists might have too much faith in the politics-forming power of the media and of public opinion polls, the clumsiness with which they present their goals to the public is hardly different from that of the previous ruling party. It is enough to refer to issues of strategic importance. First of all, the weak and haphazard behavior in the coalition crisis; the public still does not know what the MSZP's leadership actually wanted, only that, for a good reason, it was forced to back off. Second, the "selling" of the Bokros package; it took a good six months for the population to start to understand the reasons and importance of crisis management.

Just as the internal mechanism of discussing political alternatives did not function in the MDF, it does not now work in the MSZP, either. Both parties air the family laundry in the press. In fact, the MSZP's leading personalities bring the internal party debates into the open in the form of a war of statements. As the press seeks newsworthiness, both parties have securely founded their own bad image.

The appearance of tendencies in the MSZP, especially in the wake of the Bokros package, made the image of disintegration likely for the public. The rotation of the groups and their inclination for dinner meetings very much reminded people of the MDF's crumbling. It is true, though, that the MDF's separating groups were much more easily distinguishable than the MSZP's shifting dinner guests. However, the banner of dissatisfaction was mostly unfolded in the defense of "left-wing values" and this made it possible for a phantom of the MSZP's internal opposition to be created in the media under the name trade union faction or others.

After minor attempts, the MSZP's Left-Wing Group recently did the favor of giving a body to this phantom. The effect of this public appearance was very similar to the Csurka phenomenon from the outset because, when someone speaks in the name of the governing party, it will sound out loud even if it only has, let us say, 1 percent of electoral support. In addition, the Left-Wing Group said something rather clever because can one nowadays give a better message to the public than out with Bokros and down with the rich. This kind of media message makes a loud noise even if no political alternative is behind it. At least, the miracle cure advertised in UJ MAGYARORSZAG, the latest mouthpiece of the Left-Wing Group resulting from the extremists' falling in each other's arms, does not offer any alternatives. This only revived the bad language of 1950's seminars about the finance minister working as a "servant of colonialist capital" and the coalition partner pursuing its politics while "committed to the comprador elite."

Populist slogans instead of theoretical perspectives indeed remind us of the "keep to the right" in the MDF four years ago, even if the same or something very similar is now phrased as "keep to the left." The real pain and the serious social cost of the change of the regime of course appears behind both populist radicalisms, and so does the illusion of optimistic solution because an "expert" of the Left-Wing Group promised in UJ MAGYARORSZAG's 19 January issue: If "the delegates of the March congress committed themselves to a fundamental economic policy change, this would bring a cheap and peaceful transition and open up an optimistic image of the future for us... improvements would also be made in the quality of life and in purchasing power within a year." Here, Socialist Torgyanism indeed outdoes the original and it is no wonder that the party's leaders said that this did not have to be taken seriously.

Here the similarities end. The Left-Wing Group has even less mass support than Csurka had at the time. The loudness stems from the weakness. The MSZP's real debates were on the directions of stabilization and growth strategies, and were ended with the Bokros-Suchman compromise for the time being. The MSZP congress's Miskolc phase showed that the "left-wing" radicals cannot endanger the stabilization program, and they will have even less chance for this in March. Their appearance tends to be disturbing because it diverts the public debates from real issues to platitudes. The clashes in the MSZP have so far only been slight surface cracks and have not started an erosion.

In its organization, the MSZP has proven to be stronger than the MDF, which had been formed as a loose coalition, and at the beginning of 1996 it again spectacularly split into two camps among those seeking the role of responsible and irresponsible opposition. The MDF wanted to create a broad social basis for itself but, contrary to this, it has always remained a "single-issue" [pun on word also meaning simple-minded], meaning that it has never managed to go beyond the topic of "national issues of vital importance" and offer an overall program.

Under the pressure of the approaching March congress, the MSZP seems to be continuing the policy of slow organizational reforms and small changes. It is shuffling forwards toward organizational transformation and personnel changes with brave steps, namely, with minor changes that might spare it from the major changes promised for this spring. This is so even though the MSZP, contrary to the MDF, has a broad organizational and expert background, it could have somewhere to draw from and renew itself instead of the usual crawling along. After the 1994 defeat, the opposition still cannot find its place and role in Hungarian politics. At the parliamentary cycle's half-term, no responsible opposition alternative has yet appeared which could present close competition for the governing parties in 1998. Therefore, the analogies between the cycle of the beginning and the cycle of the half-consolidated system, and between the leading parties of these two cycles still tempt us for analysis in 1996, but they contain less and less reality.

Hungary: Opposition Parties' Popularity 'Increased'

AU0602114196 Budapest NEPSZABADSAG in Hungarian 3 Feb 96 p 4

[Unattributed report on results of opinion poll survey made by Szonda Ipsos Opinion Poll Research Institute between 10 and 24 January 1996: "The Popularity of the Opposition Parties Has Increased"]

[FBIS Translated Text] Support for both government parties dropped: by 1 percent in the case of the Hungarian Socialist Party [MSZP] and by 2 percent in the case of the Alliance of Free Democrats [SZDSZ], while support for each of the four opposition parties increased by 1 percent. This is the lowest figure for the overall support of the government parties since the elections held in 1994, and this is also the largest support for the opposition. The change took place in March 1995 when the two political blocs had the same number of supporters. Today, the government parties can count on one-fifth of the population, while the opposition bloc can count on more than one-third of the population. Secondary party preferences also show that the opposition is stronger. Some one-tenth of the voters regard one of the government parties as their second choice—7 percent for the SZDSZ and 4 percent for the MSZP—while one-quarter of the voters regard one of the opposition parties as their second choice, namely 7 percent for the Christian Democratic People's Party [KDNP], 6 percent for the Independent Smallholders' Party [FKGP], and 3 percent for the Hungarian Democratic Forum [MDF].

The SZDSZ and the Federation of Young Democrats [FIDESZ] have an identical number of supporters. Moreover, an essentially identical number of voters named these two parties as their second choice (7-8 percent). Another similarity appears in the percentage of people who feel antipathy toward these two parties: this is very low, and it stands at 2 percent for each party. However, the public's view that the SZDSZ is stronger gives this party an advantage: some 8 percent of the people think that the SZDSZ would win elections held today, as opposed to only 2 percent who think that the FIDESZ would be the winner.

In January too, leaders of the opposition parties often made statements on possible intentions to cooperate and on various coalition scenarios. The closest and most symmetrical relations can be found between the KDNP and the FKGP. Some 26 percent of the KDNP supporters named mainly the FKGP as their second choice, and this strong sympathy is also valid the other way around: with 19 percent of the FKGP supporters regarding the KDNP as their second choice. The asymmetry in some relations hinders some cooperation possibilities. Some 27 percent of MDF supporters mentioned the KDNP as their second choice, but there was no reciprocity to be found here, because the MDF is only the third among the choices of KDNP supporters (with 9 percent). There is also such an asymmetry in relations between the MDF and the FKGP, because the FKGP occupies a much better position among the MDF supporters than the MDF among the FKGP supporters. KDNP supporters are more open toward the FIDESZ than FIDESZ supporters toward the KDNP.

B-H: Ex-PM Silajdzic on Attitudes Toward Federation

AU0502184996 Belgrade VREME in Serbo-Croatian 27 Jan 96 pp 8-10

[Interview with former Bosnian Prime Minister Haris Silajdzic by Adil Kulenovic; place and date not given: "Bosnia Straightening Up"]

[FBIS Translated Excerpt] Bosnia-Herzegovina Prime Minister Haris Silajdzic has handed back the mandate for creating a new central government, being discontented with parliament's decision on the government having five instead of six ministers. This one ministry is in fact only a symbol of deeper and long-lasting disagreements between Silajdzic and the reigning parties of the SDA [Party of Democratic Action] and HDZ [Croatian Democratic Community] regarding the concept of the Federation of Bosnia-Herzegovina. At its extraordinary session (on Sunday 21 January), the SDA withdrew Silajdzic's candidacy as prime minister-designate and set Hasan Muratovic, former chairman of the state committee for relations with the United Nations, as the candidate. Silajdzic will perform the duties of prime minister until the new government is elected, which will be in nine months at the latest.

Immediately before these events, Prime Minister Silajdzic spoke to VREME about disagreements with the SDA, the degradation of the parliament, the Greater Serbian and Greater Croatian concepts, attempts at dividing Mostar and Sarajevo.... We began the conversation with the question of what chance there is for a united and sovereign Bosnia-Herzegovina.

[Silajdzic] It is possible that the coming generations will not be inundated with hatred and revenge. Hatred may limit entire generations and make them incapable of living together with others. It can arouse peoples against peoples, such as was the case with the project of Greater Serbia. We know the tragic consequences of that project: 200,000 people killed in Bosnia.

I hope that the war has ended although we still do no have a real peace. I hope that the defense project has been concluded successfully and that we have returned from Dayton with an integral and sovereign Bosnia-Herzegovina. [passage omitted]

[VREME] You mentioned the concept of Greater Serbia. However, a statement you made about the concept of Greater Croatia also met a diverse reaction. VJESNIK presents this almost as the destruction of the Federation. Would you please expound on that statement?

[Silajdzic] I stand behind that statement. If you travel from Croatia toward Mostar, you will see that there is no difference — uniforms, flags, signs, and money, everything is the same. It all resembles a big Croatia. It is high time we talked about that, as we will solve nothing if we keep silent about it. We must confront some facts about the Federation in order to be able to build this Federation. There can be only one state on the territory of Bosnia-Herzegovina, and the neighboring counties stop where Bosnia-Herzegovina begins and ends. With due respect to everybody, we are a different state. After all, we fought because we did not want to be included in another entity, and this is what we were giving our lives for. Whoever wishes to cooperate with us must be aware of that. If there are uniforms and flags here that fail to differ from the ones in Croatia, one must start wondering. I cannot agree with that, and I do not see it as a token of friendship, as such friendship can satisfy only one side.

Let us not mention now the Bosniak community in Croatia, which does not have a representative in the parliament. The Italians do, although they are fewer, and they say that the Bosniaks are not autochthonous. I do not know what that means. There is something wrong there. We may keep silent endlessly about that, and we also may, as the war has ended, broach some questions between us. There, these are the questions. Regarding the Federation, there are obviously different concepts.

[VREME] It seems that your personal position, to a great extent, depends on global relations regarding the understanding of Bosnia-Herzegovina as a state or not. Are there also personal conflicts?

[Silajdzic] Perhaps I am a little too vociferous regarding the sovereign and entirely democratic Bosnia-Herzegovina. There were some open attempts in Dayton to remove me from political life in a way. Personal differences have always existed and will always exist; that is not disputable. What is disputable is the way these differences in views are solved: democratically or undemocratically. Regarding the concept of the Federation, we agreed in Washington that it is a federation of cantons — and I stand behind that. I oppose a federation of national areas and national territories because, if that was the point, then we could have immediately agreed with the Belgrade regime and remained on the approximately 20 percent of the territory that is under control of the Bosnia-Herzegovina Army at the moment. This is Bosnia-Herzegovina — this should be known by everybody living in it, as well as by our neighbors. The process of the reintegration of Bosnia-Herzegovina cannot be carried out if we in the Federation have different concepts of the issue. [passage omitted]

[VREME] Most people do not understand the essence of the dispute. They wonder what difference it makes to have five or six ministries.

[Silajdzic] That question was initiated in Dayton and was very serious. I can tell you that even Milosevic agreed that there should be six ministries. We talked about that for a long time. The U.S. proposal was, if I remember correctly, for as many as 12 ministries. When we got back, however, the HDZ proposal involved only three ministries. Of course, the government could not agree to that, as we knew that it was really too few. I do not want to conceal the fact that what I want is really strong central bodies, while the other side wants them to be weaker. These are the two concepts. The problem is simply in the way the dispute is being solved — democratically or undemocratically. When negotiations on this started in Sarajevo, the government's proposal was a minimum of six ministries plus the prime minister, which is, by the way, very little. Then I told the assembly deputies that, if that were not possible, I would not accept less. I will not accept less. If this coerced law stays, I will not accept the post of prime minister.

Our variant is six ministries. The other one is five ministries plus one minister without portfolio, therefore without a ministry. The question was of why that is so important. Had it not been important, there would be no outvoting in the parliament, no pressure, and no persuation of deputies for a full hour. What is involved is simply the interpretation of democracy. This law implemented through force does not represent the will of the people. After all, this is also important because an act like that and a law like that support the trend of weakening the central organs. We must have institutions that will ensure the sovereignty and integrity of Bosnia-Herzegovina.

The Americans arrived in Sarajevo with the impression that we do not need either the parliament or government, that we have some three presidents who will decide about everything in Bosnia. What kind of state is that? I said that we want to be a state like every other state, and they said that they had heard this proposal from our people. I explained that this is a disguised division of Bosnia-Herzegovina, and we were then given the full support of the western European countries and the United States. We are now again faced with attempts to minimize the importance of the central authorities and thereby of Bosnia-Herzegovina as an independent and sovereign country. I hope that this is only one process and that, when tensions abate, it will be seen in practice that a central government with not six, but 12 ministries can harm nobody. There was some talk about this being too big and too expensive a government. We have suddenly begun to be concerned about finances, but I say that such a government can bring much more than it can spend, and that has also been confirmed in practice. [passage omitted]

[VREME] Are there any indications that some parliamentary groups will perhaps initiate the changing of the contested law?

[Silajdzic] The people who extended pressure on the parliament probably see an opportunity in all this to finally get rid of my presence in the government. I doubt that anything will change there, but anything is possible. [passage omitted]

[VREME] Your political future being uncertain, many people are of the opinion that the only solution for you is to form a new political party that would be joined by people of different political, ideological, and religious orientations. What do you think about that?

[Silajdzic] There should be no power struggles within parties in wartime, and that was why I resigned as an SDA member. However, a different time is now coming, a time of relative peace.

If anybody is — according to the historical position — ready for pluralist democracy, it is Bosnia. As Bosnia is dissident according to its basic position, you therefore may call it the vanguard. When we had Bogomils [medieval dualist sect] in Bosnia, that church was the vanguard. Later, most of these people accepted Islam en masse. This was not done under pressure, if that means anything, so, in European eyes, we have again become a dissident and strange people. However, as they say, fate has assigned us such a role. One may say that, from the time of Caslav [10th century Serbian duke Caslav Klonimirovic], that is, the first Serbian attack against us, to [Serbian 14th century Emperor] Dusan, and now to Milosevic, Bosnia has constantly been recovering and straightening up. This straightening up and this inclination to dissidence is impossible to eliminate. This straightening up cannot be prevented by any pressure in the parliament, any pressure, however long it may last, and regardless of the fact that some people think that they know everything and that they know what is the best for a people. After all, people should get used to being attached to programs and not to people. Whoever wishes good to Bosnia will act like that.

Therefore, so far, I have not talked with anybody about founding a party, although there was some guesswork and some rumors, which is normal.

If the trend I was talking about continues, it is possible that new parties will be formed, particularly if those people who can only count on the support of their close families continue to speak on behalf of the people. If this continues, it is possible that a party will be formed. [passage omitted]

[VREME] What would you tell the Serbs so that they would not leave Sarajevo?

[Silajdzic] First, those people who force others to leave their homes want to prove that they were right in claiming that only an ethnically divided Bosnia is possible. On the other hand, one may tell them whatever one wants now. Words and declarations come cheap. Now I can say whatever I want and tomorrow say: "In fact, I did not mean it that way." That is why I would not tell them anything. I would only say that our credibility is what we are: These authorities have some problems, we are not all coordinated, but, generally speaking, our credibility lies in our past. We should be believed because — in the field and at the worst possible time — we showed that we can be believed. We did not destroy churches, we did not rape, we did not kill civilians.... This is why the Orthodox Church in Sarajevo is still standing, this is why this government renewed the church in Novo Sarajevo, this is why in Bosanska Krupa, where both the mosque and the Catholic Church were destroyed, the Orthodox church is still standing. Our soldiers did not do that simply, because nobody has imbued them with hatred.

I am a Muslim, a member of the Islamic religious community, and that is not to be changed. The only important thing for me is that nobody will force me to change this. This is what I am, and I will also not demand that an orthodox Serb, who is an orthodox Bosniak and has an equal right to his homeland, should change his religion. The world recognizes our tolerance; it is known that we did not respond to the call of blood, revenge, and fire, but, although the times resembled a sort of a stone age, we managed to maintain a level of civilization, and I am proud of that. [passage omitted]

[VREME] Texts have been appearing lately that speak of the need for Bosniaks to form an exclusively Bosniak state and that many of them do nor really care for the state of Bosnia-Herzegovina. Would you please comment on that?

[Silajdzic] I hope that these people are a minority. They do not realize that such a Bosniak state, a Muslim state, as you would call it, one closed between the Sava River and Mostar, would hardly be able to ensure a people's survival. Bosnia-Herzegovina has been confirmed in Dayton at the highest possible level, by an act of the international community. What next? We must implement the Dayton agreement as precisely and correctly as possible, because any deviation opens up the possibility of manipulations. We possess enough strength, talent, and knowledge, but we shall see if we possess enough will to reintegrate Bosnia-Herzegovina. Our basic goal will be the implementation of the agreement.

[Box, p 10]

Santa Claus

The reactions to President Izetbegovic's statement about Santa Claus have still not calmed down. Prime Minister Silajdzic's comment on that is as follows: "This does not apply to me, but I will tell you about my choice. I would like Bosnia-Herzegovina to have five television channels so that, if that is at all possible, everybody could watch what he likes. I favor freedom of choice in any case. Do not impose on me what I do not want, and I will not impose on you what you do not want. This is it."

B-H: Ex-PM Silajdzic: 'Real Peace' Yet To Come

AU0502141496 Budapest NEPSZABADSAG in Hungarian 3 Feb 96 pp 1, 3

[Correspondent's report on interview with Haris Silajdzic, former prime minister of Bosnia-Herzegovina; place and date not given: "We Still Have To Wait for Real Peace"]

[FBIS Translated Text] These are only the first steps toward reconciliation, but real peace, our country's revival, and the process of reintegration will start later. I can only envisage Bosnia-Herzegovina as a uniform state in which everyone has a place who did not stain his hands with innocent blood — Haris Silajdzic, the recently resigned prime minister of Bosnia-Herzegovina, told us.

Haris Silajdzic refused to comment on the claim that he would have lost against the hard-line Bosnian politicians who support President Izetbegovic in the ruling party, the SDA [Party of Democratic Action]. He justified his resignation with views that differ from the official position on the functioning of the country and of the government bodies of the Bosnian-Croatian Federation. Haris Silajdzic told us that he believed in a strong but not an omnipotent power. In his view, the central government should have been given much bigger authority. The former prime minister thinks that it will be difficult to create and even more difficult to preserve the sovereignty of Bosnia-Herzegovina without a firm and democratic state apparatus.

He called Sarajevo and Mostar the test of Bosnia's integration process. According to him, if they succeed in restoring the unity of these two towns, this will lead to the first defeat of the forces fighting for the division of the republic. However, deepening relations between the Serbs and the Bosnian-Croatian Federation will be a lengthy process, and it will probably require the efforts of several generations.

However, Silajdzic thinks that strengthening confidence is unimaginable without calling the war criminals to account.

Silajdzic declared that the creation of a multicultural, multinational, and democratic state can be the guarantee for the future. The democratization of the neighboring countries, first of all of Serbia and Croatia, could accelerate this process. Silajdzic expressed his hope that new parties would emerge in Bosnia, parties that can contribute with their programs to laying the foundations of a democratic regime.

B-H: Press Examines Proposals for Dividing Mostar

AU0302185596 Zagreb VECERNJI LIST in Serbo-Croatian 1 Feb 96 p 7

[Article by Jozo Pavkovic: "How Will Koschnick Divide the Town?"]

[FBIS Translated Text] Mostar — Hans Koschnick, EU administrator for Mostar, needed another break before he announces his perhaps most difficult decision yet. This is probably why he went to Brussels, where he wants to share his problem of the future organization of the town on the Neretva River with the EU foreign ministers. After consultations with them Koschnick will probably make his decision.

The residents of Mostar are awaiting his return impatiently and with anxiety. Whatever he decides, his decision will finally have to be respected. The Muslim and Croat negotiators have long presented their stands. The greatest problem is connected with the maps. Although the maps were kept in the strictest secrecy, VECERNJI LIST has nevertheless obtained maps that were drawn up by all three sides. Where do the differences lie?

According to the Dayton Agreement, Mostar should be organized as a town with six municipalities; three in which the Croats constitute the majority, and three in which the Muslims make up the majority. This was a compromise among the differing views on a unified town, as demanded by the Muslims, or two communities, as demanded by the Croat negotiators. The drawing of the borders was going very slowly. The Muslims came to negotiations with maximalist and unyielding demands, demanding literally the whole of the west, the Croat part of Mostar.

Muslims Want Everything

The Croats did not respond in such, one could say insulting way. They proposed that the borders between the Croat and the Muslim municipalities be the current line of separation with some minor corrections. So, they took into account the real situation. The negotiations were stopped by serious incidents at the beginning of the year. As a rule, in such situations Koschnick always calls Kinkel and the Croatian and Bosnia-Herzegovina leaders for help.

They found a salutary solution: a third municipality, that is, a third district. But, as nothing is problem-free in Mostar, the borders of the district became a stumbling block. The Muslims (again) came up with the maximalist demand, which can clearly be seen from their map that we are publishing.

They demand that the greatest part of the Croat part of the town be included in the joint municipality. According to their proposal, the district would include the railroad station on the left bank of the Neretva River. On the right bank of the river, the border would run from the Carinski Most, incorporating the basin, via Rudnik — from the beginning of Avenija, including Avenija — and then move south to Balinovac. Encompassing a fairly large part of Zahum and Podhum, the border would again come down to the Neretva River, between Stari and Lucki Most. In order to leave only the "crumbs" to the Croats, the Muslims are demanding another area for this district that would include the city stadium and the hospital in Bijeli Brijeg.

Croat Proposal Is Close to That of the EU

The Croat proposal is similar to the EU's proposal. Judging by what we were able to see from the map, the district, according to Koschnick's proposal, would encompass in the southern part the area up to the junction near Dom Zdravlja [medical center]. The border would then run along Bulevar toward the north, including the 1st Gimnazija [Grammar school], "Stakelna" banka ["Glass" bank], the area behind "Hit," all the way the unfinished Sportska Dvorana [sports hall]. The border would then come back to the Era Hotel and move eastward, via Carinski Most, encompassing the bus and railroad stations, then move toward the right bank of the Neretva River, go along the bank to Titov Most, encompassing several buildings in Cernica, and then again come to Bulevar.

Finally, the Croat side takes the view that it would be sufficient for the district to have two-three buildings accommodating all the planned federal, cantonal, and town bodies. In order not to make problems and to be cooperative, the Croats have accepted the EU's proposal, only objecting that it would be too much to include the medical center, the grammar school, and the unfinished sports hall in that district.

How Many Compromises?

Now, these three, or perhaps it would be better to say two different views, should be reconciled by the appointed arbiter, Hans Koschnick. Silajdzic has already demanded three times that Koschnick resign, because the EU has proposed such a division. It remains unclear as to why the Muslims expect Koschnick to accept their proposal this time, and why they have immediately called for U.S. arbitration. What can Koschnick do now? How can one divide the town while at the same time preserve it as a unified town? How can one satisfy both parties? Koschnick has returned from Brussels and before he passes a decree on the transitional status of Mostar, he will probably consult again with Mostar's two mayors and the advisory council.

The decree will most certainly retain compromises that will be painful for both sides. Considering that Koschnick is more than clear that it is impossible to alter significantly the current line of separation (Bulevar), one could expect that this line will continue to divide the three Croat and the three Muslim municipalities. Between them will be the cohesive district that the EU has already proposed.

Therefore, this district will be considerably smaller than what the Muslims have proposed, and insignificantly larger than proposed by the Croats. Because of this kind of solution, Koschnick will probably make some concessions to the Muslims regarding the political setup, such as the insistence on the unified police. Whether Koschnick can finally untie the Mostar knot with compromises will become known in a few days. However, it has already become clear that it is not only the solution for the town on the Neretva River that depends on the (non)-acceptance of the decree.

B-H: EU Endorses Koschnick Plan for Mostar

LD0302214096 Belgrade TANJUG in English 2040 GMT 3 Feb 96

["Pool" item]

[FBIS Transcribed Text] Rome, Feb. 3 (TANJUG) — The European Union gives full support to Administrator Hans Koschnick in his efforts to resolve the situation in the divided Herzegovina city of Mostar.

The Italian Foreign Ministry said in a statement on Saturday that as the president of the E.U. Council of Ministers, Italian Foreign Minister Susann Agnelli payed special attention to the developoents in Mostar, where Muslims and Croats had on Friday rejected Koschnick's plan of city zones.

Italy is constantly in contact with the European administration, the statement said and added that the country expressed its full support for Koschnick's efforts to resolve the situation in Mostar as soon as possible.

Mostar was divided into the eastern, Muslim section and the western, Croat section, after the one-year conflicts between Muslims and Croats ended in March 1994, when the federation agreement was signed in Washington.

Muslims and Croats had previously expelled about 45,000 Serbs from Mostar and the Neretva River valley.

B-H: Officials Discuss Rejection of EU Proposal

LD0602111196 Belgrade TANJUG in English 1056 GMT 6 Feb 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Feb. 6 (TANJUG) — E.U. administrator in Mostar Hans Koschnick has failed in his attempt to persuade Bosnian Croats to accept his final proposal on political arrangements for Mostar and territorial delineation within the town.

In a meeting with Muslim and Croat delegations in Mostar late Monday, Croats rejected Koschnick's proposal on setting up a joint town district, although the issue had already been agreed on at higher political levels, Muslim Radio Sarajevo reported.

Speaking for the local Croat Radio, Mijo Brajkovic, mayor of Mostar's Croat section, said the situation in the town was still critical.

The radio quoted Safet Orucevic, mayor of the Muslim section of the town, as saying that the size of the district remained the major cause of disagreement between the two sides.

Following Koschnick's meeting with Brajkovic and Orucevic on Friday, Radio Sarajevo reported that an agreement in principle had been reached on setting up the district, but not on the area it should cover.

Kresimir Zubak, president of the Muslim-Croat Federation in Bosnia that was set up under U.S. pressure in March 1994, [date as received] said after meeting with Koschnick on Sunday that the setting up of the district would entail a change in the relevant provisions of the federation constitution.

Following fierce clashes for the control of Mostar, a town in southern Bosnia-Herzegovina, in 1993, Muslims and Croats divided the town into two sections. The town was soon after placed under E.U. administration.

Before they clashed, Muslims and Croats had expelled about 40,000 Serbs living in the town and nearby localities in the River Neretva valley.

Bosnian Muslims and Croats clashed again in January, undermining the very foundations of their federation.

Koschnick's 15-member consultative council is expected to meet on Tuesday.

B-H: Croats Accused of Ensuring Mostar's Division

LD0502213596 Belgrade TANJUG in English 2030 GMT 5 Feb 96

[FBIS Transcribed Text] Belgrade, Feb. 5 (TANJUG) — The stand voiced by the Croat side at negotiations in Mostar indicates new conflicts and a continuation of the agony of this divided town in southern Bosnia, Muslim Radio Mostar said on Monday.

Croat Kresimir Zubak, president of the Croat-Muslim Federation formed in March 1994 at the initiative of Washington, said Sunday after a meeting with European administrator for Mostar Hans Koschnick that the forming of a Central Mostar District would require an amendment of the federation's constitution.

Croats had earlier accepted a central district as a smaller territory within the town for the common institutions.

The radio said Zubak's unexpected public statement was taken as a negation of Koschnick's arbitrary decision announced for Wednesday, Feb. 7, which envisages a central district as a joint territory which would preserve the multiethnic character of Mostar.

After a year of heavy Muslim-Croat fighting in Bosnia, Mostar remained divided into two entities and was later placed under European Union administration.

In January this year sporadic bloody conflicts again broke out between Croats and Muslims in that town, undermining the Croat-Muslim Federation.

B-H: Sarajevo Reports Curfew in Serb-Held Grbavica

LD0402212896 Belgrade SRNA in Serbo-Croatian 2045 GMT 4 Feb 96

[FBIS Translated Text] Sarajevo, 4 Feb (SRNA) — [Bosnian] Serb police still guarantees security for all citizens of Serb Sarajevo — Rajko Gluhovic, the commander of the Novo Sarajevo [Serb-held Grbavica district] police station, told SRNA today.

Assessing the security situation in the territory of the Novo Sarajevo municipality as relatively good, Gluhovic said that, in comparison with the previous period, the number of criminal acts was falling.

He said that the police forces of the Serb Republic's Ministry of Internal Affairs were cooperating with representatives of the international police forces and carrying out their tasks of protecting people and their property on a daily basis.

Gluhovic said that nine members of the international police forces were present in the area and that there will be 23 of them soon.

A 2100-0500 [2000-0400 GMT] curfew has been introduced in the territory of the municipality of Novo Sarajevo based on assessments by the municipal public security [police] station.

B-H: Bosnians Complain About Grbavica Curfew

AU0502172996 Paris AFP in English 1628 GMT 5 Feb 96

[FBIS Transcribed Text] Sarajevo, Feb 5 (AFP) — Bosnians officials complained loudly Monday over the imposition by Serb police of a curfew in a Serb-held neighborhood theoretically now controlled by the mainly-Moslem government.

"It's something that we don't like. Our view is that the Serb police are there and should act according to the constitution of the (Moslem-Croat) federation," Foreign Ministry spokesman Mirza Hajric told AFP.

He said that "federation police should be issuing these sort of things. We don't accept that the chief of the Serb police issues a curfew," he said.

Serb police imposed a curfew Sunday from 9:00 p.m. to 5:00 a.m. (200[illegible] to 0400 GMT) in Grbavica, one of five Serb-inhabited districts in Sarajevo earmarked for return to Bosnian rule.

The suburb's police chief Rajko Gluhovic did not specify why the curfew was being imposed or say how long it would be enforced.

Under Bosnia's U.S.-brokered Dayton peace accords, Serb districts of Sarajevo are to revert to the Moslem-Croat Federation on March 20, 45 days after Saturday's withdrawal of Serb troops.

International mediators decided to allow Serb police to remain in the suburbs in the meantime, angering Bosnian authorities who argued that Serb police should have retreated with the soldiers.

B-H: Serbs Say Officers' Arrest Threatens Accord

LD0302205096 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 3 Feb 96

[FBIS Translated Text] On 30 January, in contravention of the Dayton Agreement, Muslim forces arrested a Serb negotiating team that was going to Sarajevo airport to attend talks on military aspects of the peace agreement. The Main Headquarters of the [Bosnian] Serb Republic army has issued a statement in connection with this incident, which is so far the most serious violation of the peace agreement. The statement reads:

The Information Service of the Main Headquarters of the Serb Republic army today published the following statement: According to verified information, also available to relevant IFOR [Implementation Force] commands and bodies, members of the so-called Bosnia-Herzegovina army blocked a vehicle with members of the [Bosnian] Serb Republic army — Colonel General Djordje Djukic, Colonel Aleksa Krsmanovic, and soldier-driver Radenko Todorovic — on the blue route between Lukavica and Ilidza in the free movement zone, which is under complete IFOR control, between 1100 and 1200 on 30 January 1996. These people were arrested and taken to a Muslim prison in Sarajevo. They were not armed and had valid personal documents on them. They were arrested on their way to a scheduled meeting with IFOR representatives and civilian authorities in Ilidza, to discuss an agreement to hand over to IFOR facilities in the Sarajevo area.

In connection with this incident, which is a serious violation of the Dayton Agreement provisions on the freedom of movement and can seriously jeopardize the implementation of the peace agreement on the whole, the Main Headquarters of the Serb Republic army has sent a demand to the IFOR command in Sarajevo to ensure an urgent release of the officers and the soldier.

Muslim authorities have carried out similar incidents before, so that in addition to the above-mentioned persons, there are several more members of the Serb Republic army in Muslim prisons. They have all been arrested recently, although in the same period we immediately and without unnecessary protocol released many groups and individuals — civilians and soldiers of the Muslim-Croat Federation, who found themselves on the territory of the Serb Republic for various reasons.

Considering the danger such actions by the Muslim side pose on the further implementation of the peace agreement, we expect relevant bodies, IFOR commands, and humane international public to react swiftly in order to ensure a speedy release and return to the Serb Republic of General Djukic and other members of the Serb Republic army. This is said in the statement issued by the Serb Republic army's Main Headquarters.

B-H: Foreign Prosecutors To Question Serb Detainees

AU0602111496 Paris AFP in English 1033 GMT 5 Feb 96

[By Jean-Luc Porte]

[FBIS Transcribed Excerpt] Sarajevo, Feb 6 (AFP) — The Bosnian authorities will Tuesday allow international prosecutors to question eight Bosnian Serbs arrested by government police on suspicion of war crimes.

The Serbs, including two senior officers — General Djordje Djukic and Colonel Aleksa Krsmanovic — were detained in a NATO-controlled area of the capital while travelling to talks in another part of the city, Serb sources said.

The Moslem-led Bosnian Government late Monday confirmed to the NATO-led Implementation Force (IFOR) that it was holding the men.

IFOR commander Admiral Leighton Smith had been given assurances by the Bosnian authorities that the two officers were being held by the Bosnian Government, an IFOR statement said.

British General Michael Walker who had talks Monday with the head of Bosnian security services, Bakir Alispahic, was told that the Sarajevo authorities were also holding six other Bosnian Serbs.

Alispahic told Walker the six had been arrested between January 20 and February 2 and were suspected of being war criminals.

Sources here said the men's arrest had angered IFOR, which privately believes the move will only serve to fuel fears of reprisals by the Croat-Moslem authorities when five Serb-held districts return to their control by March 20.

"This is a breach of the Dayton peace accords, it's a grubby kidnapping, that's all," said one IFOR officer who asked not to be named.

"It does not augur well for the future because it adds weight to Serb fears of a witch-hunt in the districts that are due to be handed over," he added.

Some 10,000 to 12,000 Serbs have already fled Serb districts earmarked for return to government control, and Smith has predicted up to 60 percent of the 70,000 Serbs in Sarajevo could eventually flee.

He said the Bosnian authorities had asked officials of the International Criminal Tribunal for ex-Yugoslavia to question the Serbs on Tuesday.

Those who were not charged would be released, he said.

Bosnian police were expected to make a statement on the men's detention in a press conference scheduled for later in the day.

Under the US-brokered Dayton peace accords for Bosnia, signed in Paris last December, the warring parties may arrest war crimes suspects, but must produce credible evidence to The Hague-based International Criminal Tribunal (ICT) to justify their continued detention.

Alispahic said the Bosnian authorities would hand over to the ICT for the former Yugoslavia, documents and other evidence to back up its charges against the men.

Admiral Smith personally intervened in the affair to win assurances that decisions by the ICT would be strictly respected by the Bosnian authorities, sources said. [passage omitted]

B-H: Generals' Membership in Party's Top Body Defended

AU0502145896 Sarajevo LJILJAN in Serbo-Croatian 31 Jan 96 p 3

[Commentary by Hamid Ozegovic: "Generals and Politics"]

[FBIS Translated Text] In the photograph above we see how Generals Dudakovic and Alagic carefully follow President Izetbegovic's speech delivered at the session of the Executive Committee of the Party of Democratic Action [SDA] [on 27 January]. Their announced, and by the time this issue of LJILJAN is published, factual membership in the most important organ of the largest Bosnia-Herzegovina party has already provoked tumultuous and controversial reaction in the public.

Are we about to see the militarization of politics (of SDA)?, sanctimonious guardians already wonder. The author of this question, which was raised in a purely rhetorical fashion, only to get funds from the Soros foundation — even its founder and financier would, by the way, blush at the superfluousness of the question — has totally missed the point.

If we are talking about politics in a country that will be confronted with a latent war if not permanently then at least for the next 10 years or so, the question regarding its army should have read: Do those who have won in the war have the right to decide about their future in peace?

If on the other hand we are talking about the army itself, and its role in society as a whole, the key question on which attention should focus is somewhat different: Will those who were the winners in the war be losers in peace?

In his speech before the SDA Executive Committee, General Dudakovic himself discouraged those who saw any kind of militarization in his presence there. His interest was purely professional: "We have accomplished our tasks in the war professionally, but we are not professionals, we are volunteers who defended our country out of deeply patriotic motives. Today, however, we are confronted with the problem of our fighters' status. Some will have to be integrated into other spheres of social life. The rest will make up a professional and strong army capable of accomplishing every task. A modern army does not only mean modern technology, but also a modern soldier."

Speaking as a general, beside many a philosopher sitting next to him, Atif Dudakovic has virtually hit the essence of the current Bosniak moment with a short and profound sentence. I think that there is no problem of unity of the Bosniak people but of their organization. Indeed, it is very difficult to believe that there are Bosniaks today who think differently about the basic global national commitments.

To think, therefore, that the generals should be only where one gets killed and where one suffers is simply a misconception and miscalculation. Only clever generals can make a good army, and they must be aware of the context in which they operate. The science that, among other things, deals with this context is called politics.

B-H: Gen. Dudakovic: Army To Be 'Better Than NATO'

AU0502132696 Sarajevo NOVA BOSNA in Serbo-Croatian 1 Feb 96 p 9

[ONASA report: "Dudakovic: The Future Army of Bosnia-Herzegovina Must Be Better Than NATO"]

[FBIS Translated Text] Sarajevo, 31 January — Division General Atif Dudakovic, commander of the Bosnia-Herzegovina Army's 5th Corps, has said that the future professional army of Bosnia-Herzegovina should be organized according to international standards, principally on the model of NATO. "These standards are a certain criterion, but we have to be better than NATO and similar organizations. We have had bitter experiences up to now, so our army must be highly professional and ready to respond to the requirements of the time," General Dudakovic said.

Asked whether his co-option to the Party of Democratic Action [SDA] Main Committee means political engagement, Gen. Dudakovic answered that every officer became politically engaged as soon as he stood at the head of an army.

"The officer must know what aims he is fighting for, which means that I have already been in politics for a long time," Gen. Dudakovic said.

Asked whether he, as a member of the SDA Main Committee, could at the next election get the votes of Haris Silajdzic, the prime minister of the Republic and the Federation of Bosnia-Herzegovina and the former SDA vice chairman, Gen. Dudakovic said that such a comparison was inappropriate. "I am a man who has performed his duty and tasks. We are now being judged according to what each of us has done for Bosnia-Herzegovina. Everything else is only assumptions. When I analyze myself, I do that through history, and we shall see what the future will bring," Gen. Dudakovic said.

B-H: Commentary Examines Future Prospects for Army

AU0502173796 Sarajevo LJILJAN in Serbo-Croatian 24 Jan 96 pp 20-21

[Commentary by Aziz Handzic: "By Next Summer, the Bosnia-Herzegovina Army Will Have Become a Regional Power"]

[FBIS Translated Text] Has the lifting of the arms embargo on the Bosnia-Herzegovina Army come too late? From the standpoint of the country and of the army, which managed to withstand four years of aggression without arms: yes. But from the standpoint of the very uncertain development of events in the Balkans and the position of Bosnia in the neighborhood of Serbia and Croatia, the equipping of the army, after (the first phase of?) the war, is something that means our survival in the future. In the case of a new attempt to establish a "greater Serbia" — and Belgrade has still not given up its project for "all Serbs in one state" — this time Bosnia-Herzegovina would have to react to an attack with a strong and modern equipped army!

The Heavy Calibers Are Arriving in June

Bosnia-Herzegovina, according to the provisions of the military part of the agreement, can already buy weapons now, but it will not be able to ship them to its territory until 90 days after the signing of the Dayton agreement, which means in March. The first phase refers to small arms, i.e. everything but heavy artillery and armored vehicles. As for the heavy caliber weapons, tanks, self-propelled howitzers, transporters, and other armored vehicles, and transport and other aircraft, it will be possible to include them in the equipping of the army 180 days after "D-day," i.e. in June. From the very start it must be clear to us that equipping the army will be under the strict control (and dosage) of the United States and NATO, which is theoretically also true for the Serb forces in Bosnia, the Croatian Army and the FRY Army. U.S. forces have taken over the duty of arming the Bosnia-Herzegovina Army and training it, although it is already certain that the actual weapons will be secured and provided by other countries in order to avoid the too obvious participation of the United States in that. The Dayton agreement anticipates two variants for the establishing of a balance of power in Bosnia-Herzegovina and the Balkans. The first is disarming the Serb formations and balancing the distribution of effectives ["efektivi"] between the Bosnia-Herzegovina Federation and the Serb Republic in a ratio of 2:1 to the advantage of the Federation. The given tables illustrate the present situation and the situation as the agreement anticipates it. In fact, it is hard to believe that NATO will manage to disarm the Serbs and to give those effectives to the Bosnia-Herzegovina Federation, as envisaged in the agreement. It seems that this idea was abandoned at the very outset and, instead of disarmament, another variant was devised: to arm the weaker side to the extent where an effective balance of power would be reached.

The choice of weaponry that the Bosnia-Herzegovina Army (to be the federal army) will include in its arsenal is closely associated with the main shortcomings of our armed forces in the four-year war, as well as with the nature and the tactics of the enemy. Serb formations acquired a strategic advantage through their extreme superiority in heavy artillery, tanks, and other armored vehicles, as well as in aviation. The largest offensives and territorial conquests of the Serbs in Bosnia-Herzegovina were achieved through the plentiful use of precisely those advantages. Through these they compensated for their inferiority in manpower; when it came to personnel, it was only in the first two years that their advantage in educated and professional officers could be felt. As the war progressed and the Bosnia-Herzegovina Army obtained its own experienced and educated officers, that lack of balance melted away. So, the first thing will be to remove the still existing disproportion in arms and equipment.

"Tank Busters"

When it comes to small arms, there are hardly any problems. In this war the AK-47 proved to one of the best in the world (recalling that among the arms of the Bosnian infantry there were almost all types of guns, which proved themselves differently). The Bosnia-Herzegovina Army would principally have to be developed according to NATO standards, but the question is whether it is rational now to replace the "Kalashnikovs" with, for example, the U.S. M-16A1. Here, standardization will most probably lead to the introduction of exclusively 7.62-mm "Kalashnikovs" to arm the infantry. Heavy artillery over 100-mm, which we have been offered, also comes from two programs, NATO's and the Soviet one, so they will have to be combined. Our artillery will probably introduce 105-mm U.S. howitzers, the M-101-A1 and M-102 models, whose range is over 11 km. These were tested in Vietnam and their barrels are very durable with minimal maintenance and they are capable of hitting targets behind obstacles (hills) at a larger angle, which is very important on the Bosnian terrain. Further, on the market there is also some long-range equipment from the former Yugoslav forces: 122-mm, 105-mm, and 152-mm howitzers and 130-mm cannon. As Bosnia's special-purpose industry already produces some of the barrels of these calibers and the ammunition for them, it can be expected that we will combine our imports with the improvements in the production of this equipment, until domestic production in terms of quantity and quality satisfies our needs. The situation with mortars is similar. By introducing the Western 81-mm and 130-mm calibers, we would not get much. It would actually be irrational, since 82-mm and 120-mm mortars have already gone into production, as well as the ammunition for them.

Anti-armor is a problem that must be qualitatively solved so as to avoid any future dramatic situations, such as when one or two Serb tanks won battles simply because our troops did not have enough "Zoljas" or "Osas" [portable rocket launchers], never mind more modern means for taking on armored vehicles. In the second year of the war the army obtained the Chinese "Red Arrow 8" system, but in the future we will need a much more modern and powerful anti-tank capability. The choice could come down to the TOW 2 system (with its improved 2A and B versions) and TOW 3 (which were called "tank busters" in "Desert Storm"), or on some other system that acts on the principle "fire and forget about it," that is, with almost 100-percent precision. With this system it is possible to conduct anti-tank battles at a range of 500 to 3,750 meters, at which the security of those who operate the system is far greater than when using outdated means.

A Dilemma: NATO or Soviet Program

Tanks and armored transporters flooded the arms market after the disintegration of the Warsaw Pact. The modern Russian T-80-U tank, withdrawn from the former East Germany, costs $2 million, the T-72 $1 million, and the outdated T-55 just $200,000. The West is offering the U.S. M-1-Abrahams tank ($3.6 million) or the German "Leopard 2" ($4.2 million). In 1993 there were already rumors that the Bosnia-Herzegovina Army had bought several "Leopards," but none has been seen with our insignia on the battlefields. Russian armored vehicles would be cheaper and easier to get (Islamic countries of the former Soviet Union are also full of them) and it would probably be easier to solve the issue of the staff training and vehicle maintenance, since we already have many trained tank drivers in the army (trained in the Yugoslav People's Army) and a developed maintenance capability. However, the choice could nevertheless come down to the Western variant, if it is dictated by long-term orientation and the linking of the Bosnia-Herzegovina Army to NATO (through "Partnership for Peace"). Transporters from the VU [expansion unknown] program are bargains, with prices from $110,000 to $190,000 apiece, which practically removes all problems concerning choice.

Rocket systems were dominant in the largest operations on the Croatian and Bosnian fronts, particularly in the last phase of the war (in 1995). Multiple rocket launchers of various types and calibers were the basic to implement "scorched earth" tactics. It is logical that its effectiveness will mean that this type of weapon is increasingly introduced and developed. The Bosnia-Herzegovina Army (just like the Croatian Defense Council [HVO] and the Croatian Army) already have 262-mm "Orkans," multiple rocket launchers with a 80-km range, which are a product of the domestic military industry. Thus this issue has been resolved, with outside help only possible in terms of the further development of this equipment. Anti-aircraft defenses in the Bosnia-Herzegovina Army must undergo profound changes to be modernized. This is dictated by the moves of the enemy. The Army of Yugoslavia, on which the embargo has also been lifted, intends to modernize its air force significantly. Contacts with Moscow have already been made: They concern the purchase of a new generation of MiG-29M (the improved version) military aircraft and of Russia's most modern "Suhoj-35" universal military aircraft. Several pilots have already returned to Serbia from Russia, after completing training in flying this very aircraft, which doubtlessly confirms the intention of the Army of Yugoslavia to include it in its air force. That is why the anti-aircraft defenses of the Bosnia-Herzegovina Army must (!) have an adequate answer, namely the Russian S-300 missile or its American counterpart the "Patriot."

"Flying Armor" in the Bosnian Skies?

However, there can be no control of the Bosnian skies without effective aviation and helicopter units. The Bosnian Air Force, with its several "Mikojans" (Mi-8 and Mi-17) helicopters, from which the pilots managed to extract more than the maximum in their extremely risky flights over the occupied territories, nevertheless remains in its cradle. The first question is: What military aircraft to choose? Croatia has based the development of its aviation on "MiG" aircraft (the 21 and 29), which is certainly the cheaper option. If the Air Force of the Bosnia-Herzegovina Army chooses this same course or the choice falls on F-16, or the Mirage 2000, or anything from the NATO arsenal, everything will be new for us. The qualitative training of pilots is more important here than the choice of aircraft. We must not go through the experience of Libya, which bought several hundred French "Mirages" for its army, which subsequently rotted in the desert sand because there was nobody to fly them! Furthermore, the Croatian Army included in its Air Force the Mi-24 military helicopter, the "flying armor" from the Afghanistan war, which is certainly a good choice. For our army this machine, together with a few reliable Mi-17's, would certainly be put to good use. The alternative is the U.S. "Apache," which is more expensive and completely unknown to our pilots.

So, if we start from the assumption that the money for weapons has already been provided, that the deadlines as to when we are allowed to import the weapons purchased are known, very few dilemmas remain. When it comes to the choice of models and calibers, they boil down to the question: the NATO program or the Russian one, more modern (and effective) or older (less effective) technology, but, with regard to that, also the question of whether we should go for weapons for which we need longer and more complicated training, or a shorter one? Those dilemmas will, in addition to our military leadership, certainly also be resolved by the main sponsor of the modernization of the Bosnia-Herzegovina Army: the U.S. Army. The same goes for training. The Croatian Army has achieved its current modern organization and level of effectiveness thanks to the presence of the instructors from Military Professional Resource Inc. (MPRI), the best firm in the world for military consulting. It employs the best officers of the U.S. Army who have recently retired, who at the request of individual governments devise the most effective training programs for their armies. They have been present in Croatia ever since 1993 and the results are obvious. The tactics and strategy created precisely by the MPRI are recognizable in the operations "Maslenica," "Medak Pocket," "Flash," and "Storm." The officers of this firm are already present in the Army of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia — FYROM], too, so it would be logical for them also to start their work in Bosnia-Herzegovina. However, there are some indications that the training of the Bosnia-Herzegovina Army could be helped by the armies of Turkey and Pakistan, which were also created according to the NATO model. Whatever the case, what awaits the Bosnia-Herzegovina Army is a very hard, and not too long, period of restructuring, of a dense program of mastering new weapons, knowledge, and skills, at the end of which our army must make a qualitative leap. The orientation are the standards imposed by the "Partnership for Peace" program (the anteroom of NATO), but the final product must certainly be a new Bosnia-Herzegovina Army, capable of an effective response to aggression from any side.

[Box p 21]

Ukraine Is the Biggest Marketplace for Weapons

One market with the largest quantity of arms in one place is certainly Ukraine, where the Russians, when they withdrew, left 5,500 tanks (among them, 1,400 T-80's and T-72's are awaiting a buyer), 5,000 armored transporters, 4,700 artillery pieces, 1,540 military aircraft (MiG-21, MiG-23, MiG-27 and MiG-29), and around 560 Mi-24 armored helicopters in several storage places in Kiev. These weapons can in a short time equip an army of 150,000 people!

[Box p 21]

Present effectives of military formations in Bosnia-Herzegovina:

	Bosnia-Herzegovina Army	HVO	Serb Republic Army
tanks	67	45	310
armored transporters	59	30	225
heavy artillery pieces	430	310	1,800
rockets/multiple rocket launchers	55	30	70
fixed-wing aircraft	0	0	30
helicopters	12	5	32

Planned effectives in Bosnia-Herzegovina according to the Dayton agreement:

	Army of the Federation of Bosnia-Herzegovina	Serb Republic Army
tanks	180	90
armored transporters	136	68
heavy artillery pieces	196	98
rockets/multiple rocket launchers	20	10
fixed-wing aircraft	68	34
helicopters	18	9
mortars	406	206

B-H: HVO General Interviewed on Federal Army

AU0502151996 Zagreb VECERNJI LIST in Serbo-Croatian 26 Jan 96 p 7

[Interview with Zivko Budimir, commander of the General Staff of the Croatian Defense Council [HVO], by Jozo Pavkovic: "The Federal Army Will Have National Identity"]

[FBIS Translated Text] General Zivko Budimir ["General Bojnik"], commander of the General Staff of the HVO, began his war experience in Croatia, but he also participated in the defense of Bosanska Posavina, and after the "Maslenica" action he joined the defense of the Croatian territories in Bosnia-Herzegovina in July 1993. There he performed various duties in the HVO General Staff and in the Joint General Staff of the federal army. He spent 14 months in besieged Sarajevo, a greater part of the time as deputy of the leading HVO representative, General Ante Roso, and when Gen. Roso moved to another post he replaced him in the leading position in the Joint General Staff. Zivko Budimir was born in Vir near Posusje, but he spent most of his life in Slavonia, where his family moved in 1967.

[Pavkovic] General Budimir, as commander of the HVO General Staff, how do you assess the implementation of the military part of the Dayton Agreement up to now?

[Budimir] The implementation of the military part of the Dayton Agreement has two components, and Annex 1 of the agreement, which deals with the military part of the implementation, is divided into the implementation on the terrain, which is in the competence of IFOR [Implementation Force], whereas the Organization for Security and Cooperation in Europe [OSCE] is competent for the creation of stability in the region and for the establishment of confidence between the countries. That part includes two parts, one of which refers exclusively to the territory of Bosnia-Herzegovina, where confidence has to be built between the two entities, after which the relations between Croatia, Bosnia-Herzegovina, and the so-called Federal Republic of Yugoslavia will be harmonized there. The currently important issue is the implementation of Dayton provisions which refer to the separation of formations and to the reducing of forces on the territories under the jurisdiction of IFOR.

Volunteers From Islamic Countries Have Still Not Left

As for the withdrawal of the conflicting parties to two kilometers away from the separation lines, only the units of the HVO have completely fulfilled that obligation, and that even before the deadline, whereas a small number of the forces of the Bosnia-Herzegovina Army and the army of the Serbian Republic remained in the "separation zone" of four kilometers, but those forces of the Bosnia-Herzegovina Army and of the Serb army have also been withdrawn, so that we can say that the withdrawal has been completely carried out.

The public is now most interested in the withdrawal of forces that are not of local origin, and of the persons who were instructors or had other duties in all three armies, which has also been partly realized. The HVO has completely fulfilled that obligation, because the Croatian Army, which was in Bosnia-Herzegovina in accordance with the Split Agreement, withdrew before the deadline, before 13 January. And we can say with certainty that the units of the so-called Republic of Serbian Krajina [former Serb entity in Croatia] are still on the territory of Bosnia-Herzegovina, and in the forces of the army of the so-called Serbian Republic. The units of volunteers from Islamic countries that were in the Army of Bosnia-Herzegovina have been dissolved, and, as General Rasim Delic [commander in chief of the Bosnia-Herzegovina Army] claims, they are no longer in Bosnia-Herzegovina, but we know reliably that not all foreign citizens who were in those units and in the "El Mujahid" unit have still left Bosnia-Herzegovina, and that most of them are staying in the Bihac area.

[Pavkovic] The Dayton Agreement envisages the release of all prisoners. Why has that not been realized?

[Budimir] There are 212 imprisoned Serb soldiers on the Croat side. There are indications that a certain number of them have committed war crimes so that investigation procedures have been initiated against them. The Croat Republic of Herzeg-Bosnia has no intention of trying the perpetrators of war crimes, but only investigating the allegations that exist, and after that, initiating trial before appropriate international quarters, if there are grounds for that. For the majority of prisoners we have no indications that they have committed war crimes.

The Conflict Between Banja Luka and Pale

In order to get 35 imprisoned Croats from the Serb side, we would be willing to release all 212 imprisoned Serbs, but the Serb side has not agreed to that. According to unofficial information, the reason is that the 1st and the 2d Krajina Corps of the Serb army are quarreling about the supervision and refuse to obey the orders that come from Pale. That is probably a consequence of the disturbed relationship between Banja Luka and Pale, but regardless of the refusal of the Serb side I believe that the release will have to be carried out. Serbs wish to include prisoners who are in Croatia in the exchange, but we cannot influence Croatia and force it to release its prisoners of war, because there is a big number of Croatian soldiers who are imprisoned in Serbia. Namely, the foreign ministries of Croatia and of the so-called Federal Republic of Yugoslavia have already started negotiating on the exchange of prisoners and I believe that an agreement will soon be reached. The Serb Republic's request is only an attempt to delay or avoid the process, for reasons that we cannot understand.

[Pavkovic] In what phase is the restructuring of the HVO for the post-Dayton period?

[Budimir] The restructuring of the HVO must be linked with the organizing of the army of the Federation of Bosnia-Herzegovina. It is hard to say where the organizing of the federal army has gotten, if we know that the defense law of the federation has still not been passed. The most disputable thing is that the Muslim side insists that the Bosnia-Herzegovina Army, regardless of the creation of the federal army, be commanded by Alija Izetbegovic. Such standpoints are unacceptable to us, particularly since the federal constitution envisages that the commander in chief of the armed forces of the Federation of Bosnia-Herzegovina should be the president and the vice president of the federation, which means that all decisions will be made by consensus between the two.

What is disputable is the provision that makes it possible for the recruits to choose in which component of the armed forces they will serve, which the Muslim side has still not accepted, through which they principally wish to reject the need and the reality for the existence of the two-component army.

U.S. Help for the Entire Army

[Pavkovic] Will the difference in the proficiency and equipment between the HVO and the Bosnia-Herzegovina Army be an obstruction for the help of the United States to the federal army, and will that help refer to the HVO as well?

[Budimir] Bearing in mind the difficulties regarding the enactment of the defense law, the help that should come is help with professional staff, help in the education of military cadre, both non-commissioned and commissioned, and the equipping of the army. We still cannot say precisely which forms of equipping the army they will be, but that help will be very significant and it will refer to the entire federal army. As for the differences between the HVO and the Bosnia-Herzegovina Army, the HVO is in a more favorable position when it comes to the organization of the army in the post-Dayton period, because of the creation of professional units. Personally, I believe that the creation of Muslim brigades in the Army of Bosnia-Herzegovina is a preparation for the transformation into a professional organization, because those brigades, which already have a very clearly expressed national element, even a religious one, will be the basis of the future part of the Bosnia-Herzegovina Army that will enter the federal army.

[Pavkovic] What about the nearly forgotten General Vlado Santic?

[Budimir] The General Staff of the HVO and the authorities of Herzeg-Bosnia have not forgotten about General Santic. The investigation carried out by the organs of Herzeg-Bosnia is still going on, but the circumstances in the Bihac area, regardless of the removal of the blockade, are such that it is very hard to come to facts. A more serious investigation will be initiated after the federal authorities are established, because for the time being the judicial investigation organs of the Republic of Bosnia-Herzegovina show no good will to clarify that case.

[Pavkovic] Is the Croat side satisfied with the proposed organization of the federal army and does it guarantee to Croats that which they fought for?

[Budimir] The envisaged organization of the federal army thoroughly guarantees safety to the Croats in the Federation of Bosnia-Herzegovina, because the creation of the, conditionally called, national units is a guarantee that Croat units will continue with the tradition of the HVO and they will by all means have a national identity.

[Pavkovic] What will happen with the soldiers of the HVO who are to be demobilized?

[Budimir] The Dayton Agreement and the peace that it has brought also calls for the reducing of the number of soldiers, which resulted in the demobilization of a part of the soldiers. Until the conditions for a complete revival of the economy are created, the obligation to provide social aid to the members of the HVO, who contributed greatly to the defense of the Croat territories, will be overtaken by the present authorities of the Croat Republic of Herzeg-Bosnia, which will pass appropriate regulations.

[Box, p 7]

There Are Still Some People Alive From the Bugojno Group!

[Pavkovic] Are there any Croats imprisoned in Muslim prisons?

[Budimir] The exact number of imprisoned Croats in Muslim prisons is not known — because there are indications that a certain number of people from the "Bugojno group," those who disappeared after the taking of Bugojno, are still alive — that number is certainly not less than 10.

[Pavkovic] When will that issue be resolved?

[Budimir] According to the claims of the Muslim authorities, the imprisoned Croats are under the jurisdiction of the executive civil authorities, so I believe that that problem will be solved only when the federation has been implemented. Besides, Croats keep no Muslims in their prisons.

[Box, p 7]

Provoking Incidents

[Pavkovic] What was the cause of the incidents in Usora and elsewhere, and how can they be overcome?

[Budimir] Those are areas in which there have been no conflicts between Croats and Muslims, and where throughout the aggression on Bosnia-Herzegovina Croats resisted the aggressor together with Muslims and participated in the fight for the freedom of those territories, and now they wish to create Croat municipalities in order to protect their interests in the way envisaged in the constitution of the Federation. The Muslims side is trying to prevent that. Nobody knows that Croats are still leaving territories controlled by the Bosnia-Herzegovina Army. If they did not feel endangered, they would not be leaving.

So I see the cause of those incidental situations in the attempt of the Muslim side to prevent the organizing of Croats and the realization of the rights that belong to them according to the constitution. Mostar is specific because we can relate those incidents to the implementation of the provisions of the Dayton Agreement which refer to the creation of a unified city comprised of six municipalities. It seems to me that the talks have reached the stage in which the Muslim side will hardly be able to realize its political goals, and causes incidents in order to obstruct those talks.

B-H: Official on Serb Police Mandate Extension

LD0502212796 Belgrade TANJUG Domestic Service in Serbo-Croatian 1714 GMT 5 Feb 96

[FBIS Translated Text] Obrenovac, 5 February (TANJUG) — The extension of the mandate of the Serb police forces in Serb Sarajevo until 19 March is a sign of international community's understanding of the fact "how serious and complex the Serb population's life drama is," Nedeljko Prstojevic, the vice president of the Serb Sarajevo Assembly and the mayor of Ilidza [Serb-held suburb of Sarajevo] said today.

In a statement to Radio Obrenovac he said that such a move showed the way in which Serb population could regain confidence in the possibility that the implementation of the Dayton Agreement could be unbiased, fair and resolute.

The Serb Sarajevo delegation which consisted, beside Prstojevic, of Maksim Stanisic, the president of the Executive Committee of Serb Sarajevo, and Nikolaj, Mitropolitan of Dabro-Bosnia, held 70-minute talks with the U.S. State Secretary Warren Christopher yesterday.

According to Prstojevic, the talks centered on international guarantees for personal and property security of Serb population and protection of their rights, the ways to make possible and to guarantee voluntary return of all refugees and displaced persons as well as on the obligations of the international community in reconstruction and rebuilding of Bosnia and Herzegovina based on the Dayton Agreement.

The law on general amnesty, defining the status of the city, its territorial organization, its government, local rule and self-rule were also discussed, Prstojevic said.

"We are satisfied with the results of the talks and the conslusion that we should continue tripartite talks on this subject [as received] under the supervision of the US ambassador in Sarajevo John Menzies, Prstojevic said in his statement to Radio Obrenovac.

B-H: Registered Serb Political Parties Listed

AU0502131296 Banja Luka GLAS SRPSKI in Serbo-Croatian 30 Jan 96 p 3

[Report by G. Dakic: "Increasing Number of Parties"]

[FBIS Translated Excerpt] [passage omitted] According to information from the Court of First Instance in Banja Luka, there are currently 24 political parties and associations registered in this region. These are:

Peasant Yugoslav Party, Gradiska;

Unified Socialist Party of Yugoslavia, Jajce;

Peasant-Workers Party, Kozarska Dubica;

Serbian Renewal Movement for Bosnia-Herzegovina, Banja Luka;

Green Party for Bosnia-Herzegovina of Banja Luka;

Party of Democratic Reforms of Bosnia-Herzegovina, Banja Luka;

Serbian Democratic Party "Fatherland Front," Banja Luka;

Liberal Party, Banja Luka;

Serbian Radical Party, Banja Luka;

Serb Patriotic Party, Banja Luka;

Serb People's Party, Banja Luka;

Socialist Party of the Serb Republic, Banja Luka;

People's Radical Party of the Serb Republic, Banja Luka;

Workers Party of the Serb Republic, Banja Luka;

New Serb Idea of the Serb Republic, Banja Luka;

League of Communists-Movement for Yugoslavia in Bosnia-Herzegovina;

Party of Serbian Unity of the Serb Republic, Banja Luka;

Party of Serb-Orthodox Unity, Celinac;

Party of Serb Patriots, Bosanska Dubica;

Krajina Democratic Party, Banja Luka;

Party of Economic Renewal, Banja Luka;

Republican Committee of the Association of the Left of the Serb Republic, Banja Luka;

"Nikola Pasic" Radical Party, Banja Luka;

Party of Independent Social Democrats of the Serb Republic, Banja Luka.

It is still early to say which one of these parties will take part in the election campaign individually or in coalition with other parties.

B-H: PM on Reconstruction Discussed in Davos

LD0502231496 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 5 Feb 96

[FBIS Translated Text] [Correspondent] The annual meeting of the World Economic Forum opened in Davos on 1 February in the presence of numerous political and business personalities. Humanitarian, social and economic aspects of the aid to Bosnia-Herzegovina will be on the meeting's agenda today and tomorrow. Midheta Kurspahic reports from Switzerland.

[Correspondent] The last two days of the World Economic Forum meeting here in Davos are being dominated by our country. In the very center of the initiative being discussed today and tomorrow, peace in the Balkans, is the implementation of the peace agreement in Bosnia-Herzegovina. The humanitarian, social and economic dimensions of the agreement were discussed this afternoon.

Kofi Annan, Sadato Ogata and Carl Bildt spoke on these topics. The prime minister Dr. Hasan Muratovic and former Bosnia-Herzegovina Prime Minister Dr. Haris Silajdzic spoke on behalf of the Bosnia-Herzegovina delegation.

The main issue to be discussed today and tomorrow in Davos is the implementation of the Dayton Agreement in its entirety. At the same time as the general questions relating to the peace implementation the issues on reconstruction of Bosnia and Herzegovina will also dominate. According to the estimates by the republic government around 40 billion dollars will be needed; out of it in the first three years 22 billion. The World Bank estimates are very different; the bank estimates that in the first three years only 5.1 billion dollars is needed for reconstruction.

Mr. Prime Minister, is Davos the place where the promises made to Bosnia-Herzegovina in Brussels will be realized? At this moment, the only donation that has been put into practice is the one made by the European Union.

[Muratovic] Yes, the meeting here represents a real opportunity because a great number of businessmen and most influential world politicains have gathered here. Tomorrow at the conference hall we will hold the main meeting at which we will put across our message to the world concerning the economic reconstruction and we will tell them what our needs are as well as what their chances are [as heard].

[Correspondent] The World Economic Forum is the organization which manages four thousand billion dollars. Will Bosnia-Herzegovina receive promises on the reconstruction of Bosnia-Herzegovina, in other words will it receive new amounts?

[Muratovic] It will not receive anything here, although the number of people supporting our reconstruction program will increase, both the number of the most influential people and the people who have already been included in the planning of the reconstruction.

As you know there are some very influential people from the European Union, from the World Bank and from all other countries.

[Correspondent] While we are reporting this, Richard Holbrooke, Carl Bildt and Van den Broek are speaking on the importance of the implementation of the peace agreement in the entire of the Balkan region. TV Bosnia-Herzegovina, Midheta Kurspahic, Davos, Switzerland.

B-H: Izetbegovic Thanks Scalfaro for Italy's Support

LD0202221896 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 2 Feb 96

[FBIS Translated Excerpt] Italian President Oscar Luigi Scalfaro visited Sarajevo today and held talks with Alija Izetbegovic, president of the Bosnia-Herzegovina presidency. Mehmedalija Sisic has a report. [passage omitted]

[Sisic] After the meeting President Izetbegovic said:

[Begin Izetbegovic recording] The president of the Republic of Italy came to visit his soldiers here. There are 2,000 of them. He did not want to miss this opportunity for us to have a meeting. Of course, we discussed the implementation of the Dayton Agreement. I informed him about the current situation, the implementation of that agreement, and all the small difficulties that we encounter every now and then. We believe, I said, that the implementation was progressing well, with some small difficulties, but even the civilian part of the agreement is moving at a quicker pace now.

I thanked him for having sent the soldiers here, and for everything Italy did before during the war, [?primarily] its political support and huge humanitarian assistance, which was very important. The talks were friendly. This was not an official, working meeting, but a friendly one. Thank you. [end recording]

Croatia: Report on Blaskic Extradition Corrected

AU0502172296 Zagreb VJESNIK in Serbo-Croatian 1 Feb 96 p 4

[Denial by Dr. Ljerka Mintas-Hodak, deputy prime minister of the Croatian Government, given to HINA in Zagreb on 31 Jan 96: "The Statement Was Published Out of Context"]

[FBIS Translated Text] Commenting on the Associated Press [AP] report published on 29 January 96 and carried by other foreign media, Dr. Ljerka Mintas-Hodak on Wednesday stated for HINA that her words about the Republic of Croatia's cooperation with the International Tribunal for War Crimes in Former Yugoslavia (ICTY) in The Hague in the agency report "had been published out of context" and "in a way that creates an inaccurate impression."

Associated Press condensed the contents of the interview with Dr. Mintas-Hodak in such a way way that the report ascribed to the deputy prime minister the statement that "the former commander of the Bosnian Croats, who is suspected of war crimes, would soon be extradited to the International Tribunal in The Hague."

Dr. Mintas-Hodak, in a statement to HINA, points out that she talked to the AP journalist "about steps taken by the Republic of Croatia to harmonize its own judicial system with the needs of the International Tribunal" and that in that connection General Tihomir Blaskic's name was mentioned.

"The meaning of my statement about the reasons for Gen. Blaskic's nonextradition was to explain that Croatia, as a rule-of-law state, cannot extradite any of its citizens in contravention of its own Constitution and law," Dr. Mintas-Hodak emphasized.

"One in a series of positive steps taken by the government to improve cooperation with the International War Crimes Tribunal is the preparation of the draft law that will create the legal conditions for even better cooperation, as well as for the possibility of the extradition of suspects who are citizens of the Republic of Croatia and who live in its territory," the deputy prime minister said.

According to her, it will not be possible to adopt that law before the end of March because "a draft law must pass through a legally prescribed procedure."

"Only when the law is adopted would the legal conditions and judicial mechanisms to carry out the extradition of the suspects, thus also of Gen. Blaskic, be created," Dr. Mintas-Hodak pointed out and went on to say that before that the suspects "can only voluntarily approach the International Tribunal."

Dr. Ljerka Mintas-Hodak said that also her statement that on the basis of the future law the Croatian police would be authorized to arrest the suspect was misinterpreted in the aforementioned AP report.

"I believe that Gen. Blaskic, as a Croatian Army officer, would certainly obey the decision of the body that, according to the future law, would make a decision on the extradition request," Dr. Mintas-Hodak said, having pointed out that "she had given no hint" that in this specific case it was necessary to arrest Tihomir Blaskic.

At the end of her statement to HINA, the deputy prime minister emphasized that officials of the International Tribunal for War Crimes in Former Yugoslavia had informed her "about the possibility that those convicted of war crime could serve their sentences in the Republic of Croatia," and that regarding that the Government was ready to nominate Croatia as "one of the countries in which those convicted would serve their sentences." But, as Dr. Mintas-Hodak pointed out, this is said "without prejudice regarding who those convicts would be."

Deputy Prime Minister Mintas-Hodak said that she had sent a correction of the agency text to AP on Tuesday so they could publish it.

Croatia: Novak, E. Slavonia Serbs Discuss Missing

AU0202172696 Vukovar Radio Televizija Republike Srpske Krajine Television in Serbo-Croatian 2000 GMT 30 Jan 96

[FBIS Translated Text] The first meeting between the representatives of the Srem [Serb name for Srijem]-Baranja province government committee for exchange of people and Mr. Manfred Novak, the authorized international community expert on determining the number of missing persons, has been held today. The government committee consists of Mr. Branko Jurisic, secretary for human rights and national minorities, Mr. Caslav Niksic, deputy president of the republican committee for exchange of people, and Mr. Bozo Petrovic, president of the provincial committee for exchange.

Mr. Petrovic told us that the talks were preliminary, with Mr. Novak presenting proposals on future cooperation between the Serb and Croatian sides, pointing out that the Croatian side should be more dependable in submitting information on missing persons.

The international community will continue to be present in this area through its representatives, an office, or a service, and help both sides find the missing persons.

The atmosphere of today's meeting was very friendly, and the date of the next will depend on Mr. Novak's obligations.

Croatia: E. Slavonia Serbs Meet UNTAES Commander

AU0202172896 Vukovar Radio Televizija Republike Srpske Krajine Television in Serbo-Croatian 2000 GMT 30 Jan 96

[FBIS Translated Text] Milan Milanovic, head of the negotiation team of the Srem [Serb name for Srijem]-Baranja province, and Major General Dusan Loncar, commander of the Slavonia-Baranja corps, received Belgian General Joseph Schoeps, who is to replace General van de Weghe as commander of UNTAES [UN Transitional Administration for Eastern Slavonia] forces in the Srem-Baranja province. Gen. Schoeps is 55 years old and has worked in the United States. The last position he held was that of commander of NATO armored forces in Heidelberg, Germany. Since he has not yet been officially appointed commander of UNTAES in the Srem-Baranja province, Gen. Schoeps was not prepared to talk to the press, but said that he would come to the Srem-Baranja province in the last week of February, when he will probably take over his new position.

Gen. Loncar and head of the negotiation team, Milan Milanovic, issued statements about Gen. Schoeps's visit.

[Begin Loncar recording] Today's meeting with the person who will probably be the new UN commander, in the presence of generals (Pieters) and van de Weghe, was in fact introductory. He was introduced to the territory and all the tasks and problems that will be present the [word indistinct], deployment, [word indistinct], and involvement of the forces, and other issues concerning the tasks of the UN military component.

We think that today's meeting was very useful. Current issues were discussed, such as the composition, size, and power of the forces, as well as the inevitable topic of demilitarization. I must say that understanding of the complexity of the situation was expressed during the talks, particularly concerning the military component, and we think that in the stage in which he will be officially appointed we will have constructive talks; in view of what we heard today, we think we will cooperate well in implementing the agreement [end recording].

[Begin Milanovic recording] Gen. Schoeps's visit to this territory was very useful; we discussed the arrival and deployment of UNTAES forces on this territory. The Belgian general will take over command soon and it is therefore certain for the time being that the Belgian and Russian battalions are staying. There will probably be two more battalions, the Indonesian and the Pakistani battalions. There is a possibility that the Ukrainians will provide a helicopter unit, but we hope that this may take one more month. [sentence as heard]

We expect that Gen. Klein will soon return from his European tour, on which he visited the countries that will provide the troops and material support, which is necessary at this moment, for the troops that are arriving.

The talks were useful: Among other things, it is now certain that there will be no more UN in Zagreb; everything will be moved from Zagreb to Vukovar. For technical reasons it will be in Erdut for a short period, but by April or May everything will certainly be in Vukovar.

I would like to repeat that the talks were useful; we have had good cooperation with all the UN officers so far, both Russian and Belgian, and we hope that this cooperation will continue [end recording].

Croatia: Kiseljak Police Protest Vehicle Seizures

LD0102220496 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 1 Feb 96

[FBIS Translated Excerpt] In connection with the increased frequency of incidents in the last few days on the Kobiljaca-Sarajevo road [west of Sarajevo] involving the seizure of vehicles belonging to Croat citizens on Serb-controlled territory, the Kiseljak police administration protested to Captain Francis Bizet, commander of IFOR [Implementation Force] headquarters in Kiseljak. The protest says, among other things:

In the last few days there has been a rapid decline in the security of Croat citizens on the road from Kobiljaca to Sarajevo via Ilidza, which is still under the control of the Serb authorities and which should be secured by IFOR. [passage omitted]

For the safety of Croat citizens, we are obliged to increase supervision on the Kiseljak-Kobiljaca road and until full security is ensured on your part on the roads in the municipality of Ilidza, we have to temporarily ban them from using these roads. We are also obliged for security reasons to temporarily ban the entry of Serb citizens into our municipality. We will apply the above measures from 31 January. We stress once again that this is exclusively in order to ensure the safety of the civilian population and will be in force until security is achieved on the said roads, the protest note concluded. The note was signed by Mladen (?Toro), head of the Kiseljak police administration.

After this protest, there was a meeting between representatives of IFOR and the Kiseljak and Ilidza police, at which it was concluded that the seized vehicles should be returned as soon as possible to their owners with the mediation of the Kiseljak and Ilizda police, and that increased patrols should prevent further incidents.

FYROM: Government Reconstruction Expected 'Next Week'

AU0502213396 Skopje MIC in English 5 Feb 96

[FBIS Transcribed Text] Judging by everything, the thorough reconstruction of the Macedonian Government, which has been announced for quite some time, will take place toward the middle of this coming week. It's a public secret that as of next week, the next Government will not have any members from the Liberal Party. For a while at least, this will be the end of a political marriage out of interest, if different types of marriage are even possible in politics. A marriage that started with adultery from the very beginning. Immediately after the elections, when at the proposal of a SDSM [Social Democratic Alliance of Macedonia] MP, Mr. Stojan Andov was elected Assembly Chairman by all MPs from the Alliance for Macedonia, the Liberals responded by abstaining from voting for Crvenkovski's Government, proclaiming their own ministers, participating in that Government, as experts, and not party representatives. Hence, things got stuck even at the very start, over a basic political orientation, namely, how to be politically responsible in front of the voters which, in democratic societies, is articulated through party lists for participation in the Government, if the expert-oriented ministers in it are not backed by their parties. This open interparty dispute, from the start of their joint rule, was followed by the well-known interparty outwitting and attacks by both sides. However, it seems the culmination point was reached after the unsuccessful attempt on President Gligorov's life. It seems wrong assessments were made as to the health condition of the heavily injured president. And, some were quick to emphasize their ambitions and perspectives on the Macedonian political scene, which exceeded the boundaries of political decency. When, on the other hand, the prognoses as to the President's health became optimistic, they took to sudden panic-stricken political regrouping of their positions, which was especially illustrated by the overall party leadership, with all the SDSM MPs, who stood together in support of the intention of their president and prime minister, to thoroughly reconstruct the Government. The other coalition partners too, including the Liberals, came out in support of the announced reconstruction. Thus, it became clear that even without the Liberal Party, the future Government of the Social-Democrats, the Socialists and PDP [Party for Democratic Prosperity], provided everything goes as planned, would still have a clear majority in Parliament. However, as the fog from the political fate of the existing Government is raised, attempts are being made to bring down other fogs on the announced reconstruction.

First, efforts are being made to quickly involve President Gligorov in this interparty dispute, for him to allegedly salvage what can still be salvaged. In this sense, the president's political and moral responsibility is being attacked, while that same responsibility of those who are making the attacks is being forgotten, since these efforts are being made by the same political circles that made announcements and speculations about the President's possible successors, while he was fighting for his life. Such attempts seem to overlook the bare political facts, notably, that Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is a country with a parliamentary, and not a presidential system in which the president is the president of all citizens, and not only party members. Furthermore, at the last elections, precisely President Gligorov won twice as many votes as the Alliance for Macedonia.

Second, now they are drawing on the arguments that the Macedonian parties in the existing ruling coalition appeared at the elections as an Alliance, hence its dissolution in the Government reconstruction, which is being announced, would be lying directly to the voters. It is every person's right to interpret what the Alliance stood for in politics: the alliances are always a question of political pragmatism, and not dogmatism. Why don't these people leave their own well-intended dilemmas up to the citizens to confirm or refute at the next elections.

Then it will be clear whether the citizens want the Government to answer for the efficiency and success of its actual ruling, and not who promised what at the elections. In effect, you know that the politicians promise all kinds of things at the elections. Finally, the Liberals, as a future qualified expert opposition in Parliament, will help realize, in a paradoxical way, what could not be done while they were in the Government. Prime Minister Crvenkovski does not have a politically responsible Government, and this way, he will receive it and that in front of the citizens. The Prime Minister, the old ministers in the Government and all the newly elected ones, will find it necessary in the coming season of complicated economic and social challenges in Macedonia.

FYROM: Role, Activities of Bodyguard Companies

96BA0053A Skopje PULS in Macedonian 24 Nov 95 pp 24-25

[Article by R.P.: "These Young, Daring, and Impertinent Young Men"]

[FBIS Translated Text] *In pursuit of the racketeers, last Sunday [19 November] the police "confiscated" nine* *pistols and 200 grams of heroin. Now, it is the turn of the courts. In this case as well, are we about to witness yet another "Hard Rock" farce?*

Thanks to the Ministry of Internal Affairs announcement made on Friday, racketeering is once again the hit topic of the Macedonian media. The announcement said the following: "Within the framework of efforts to block manifestations of extortion and protection, the MVR [Ministry of Internal Affairs] took measures against several individuals who, as members of the MBI and RMS [expansions unknown] private security agencies, as well as on their own, engage in such prohibited activities. The police confiscated from such individuals nine pistols, pistol ammunition, explosives, heroin, and foreign currency. After the cases were documented, the township public prosecution issued criminal indictments against eight people."

This dry police communique and its wrong timing—Friday afternoon, when the weekend was already underway, informed us via semiofficial channels that, at least for the next several days, no more extensive discussions of this topic were to be held. Precisely so. Together with its colleagues from the daily press, PULS understood that the police were inaccessible. Despite our three-day long intensive and even rude insistence, Dime Gurev, deputy secretary for public security, even refused to talk to us by telephone about the case. Was he too busy or did he try to avoid unpleasant questions?

Less illogically, the other side, i.e., the "racketeers," according to the view of the police, was much more willing to talk. Quite willingly, Mr. Bogdan Ugrinovski, the director of the MBI Agency, agreed to talk to our newspaper: "You in PULS, once insulted us, writing that we are members of the mafia and are racketeers." The discussion with the MBI leaders is carried on the next page, but deals only briefly with the confusion surrounding the police action. If what the director and his deputy are saying is accurate, it turns out that all the agency is charged with is arming two of its people. They claim that no criminal indictment for extortion has been filed against them. "What bothers us most is that the announcement was made on Friday, when the police action had already been concluded. Had it been announced earlier, one could have thought that this was an assumption. Although we are being accused for being racketeers, no proof is being offered," Ugrinovski said.

As to the case itself, some light was shed after the announcement made on Radio Noma, which stated that the heroin (200 grams) was found in the possession of one of the bosses of the other agency RMS, Mr. Roli Jakupovic. This came as a ray of sunshine. People following this problem were quite familiar with the MBI activities. The other agency, the RMS, however, was virtually anonymous. After the name Roli Jakupovic was mentioned, the entire case assumed a much broader dimension, for this person was directly linked to the Hard Rock affair. That affair, which happened immediately after last year's elections, shook the authorities to their foundation, for close ties were confirmed between the most powerful political groups and individuals in the country and the Macedonian underground. It was precisely after the attack on Hard Rock, when, in front of dozens of stunned and frightened customers, some 40 gangsters, using baseball bats and metal spikes, systematically demolished the inventory of the discotheque, that the MVR announcement followed, naming as the most suspicious characters Roli Jakupovic, Ljuan Cavoli, Ace Bocevski, and Ljupco Kopcarovski. These people had a rich pedigree of street fighting and coffee-shop violence, and the suspicion was that they were trying to commercialize their physical strength through racketeering.

However, this would have been questioned had the accused not been well known also as the heads of the "Bodyguards" of the Alliance for Macedonia. We do not know why the responsible official of the SDSM [Social Democratic Alliance of Macedonia] recruited these questionable, to say the least, individuals, and whether some other parties have not become involved in all this (for a number of years Jakupovic was a Makpetrol employee), for the simple reason that the main political protagonists of this affair have kept silent to this day. Nonetheless, it is clear that the Hard Rock event not only exposed the links between the governmental parties and the criminal structures, but that virtually nothing was done to terminate such relations.

This was confirmed by subsequent events. To begin with, those who became involved in such security (it was later confirmed that these individuals were responsible for several incidents at public meetings in Prilep, Kocani, and Titov Veles), did not deny their actions and mistakes, which was interpreted by others as an open challenge and a political attack.

Subsequently, the legal explanation of this incident, which was eagerly expected, turned into a clear judicial farce. The first two suspected individuals, Roli Jakupovic and Ljuan Cavoli, were detained for a few days only (according to some, no more than a few hours). The investigation continued after their release, but it was short. Several months later, sometime in June of that year, the investigative judge threw the entire case against Jakupovic and Cavoli out of court, stating that the prosecutor had not presented sufficient proof. When we asked the judge why the other participants in the demolition were not tried, he told us, "Well, these were young kids, who broke a few ashtrays and left." At that time the judge said that the other two leaders of the "demolition band," Kopcarovski and Bocevski, who had escaped, would be probably tried when caught.

From its own sources, PULS found out that these two people had returned to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], according to the authorities. The first had returned in September and the second, last month. On their return, they were detained but soon afterwards were released. Meanwhile, the case was moved from the township courts to the violations court. Now this entire affair is becoming somewhat ridiculous. When the case was in the hands of the first court and when the charge against the "Hard Rockers" was "participation in a crowd," a number of people grinned. Now, they are fainting from laughter. Once again, these people are charged with "impudent and particularly unseemly behavior, triggering the indignation of the citizens and in violation of public order." As we were told by the violations court, the following are charged: Roli Jakupovic, Ljuan Cavoli, Ljupco Kopcarovski, Aco Bocevski, Toni Ristovski, Aslan Redzepi, Nestor Pavloski, Zoran Arsovski, Tjortji Veljanovski, Darko Pandilov, Dragan Knezevic, Mirko Atanasovski, and Ljupco Petreski. If found guilty, they will be punished with a prison term of 15 to 60 days, or a fine of one-tenth of the average salary for November of last year. This amounts to some 700 or 800 denars. This is small change!

Therefore, it seems that it was precisely the way the judge of the Township Court told us: A few young, impudent, and insolent boys broke a few ashtrays and left. What is this talk of rackets and some such foolishness?

Rackets in the main city and the other cities in the country exist, as has been confirmed by several trials for extortion, held in the past two or three years. This is a very small part of the extensive displays of racketeering, extortion, and so on. It is as though security agencies' announcements have been pasted up throughout Skopje. This applies not only to pleasant coffee shops but also to reputable private companies. The masters of these agencies claim that owners of such enterprises requested this. If this is true, it turns out that Macedonia is an exception to what happens in the rest of the world. Let us recall the "voluntary protection" in America in the 1930's with Al Capone and Lucky Luciano playing the main roles, and similar situations in today's Bulgaria, Serbia, and the other postcommunist countries. Actually, the very nature of this type of "business" speaks for itself. This applies to groups of people who hold some exclusive governmental functions, such as the safety of people and objects, followed by the use of force, and so on. These are people bearing arms, wearing safety vests, and other clothing, thus looking like some kind of parapolice or paramilitary units. Additionally, they are recruited mainly in the gray social areas, where the law and a good attitude are not the supreme principles in life.

Yesterday, the daily press and the government published the MBI's official denial, signed by director Ugrinovski, stating that in the search conducted in that agency neither large quantities of weapons, nor drugs, nor foreign currency were found. They thus voiced their objection to describing their company as a "nest of racketeering." It should be expected that the police would provide its own arguments concerning the racketeering nature of its "clients." Or else, perhaps, this will all end up in court, as was the case with "Hard Rock."

Discussion With Bogdan Ugrinovski and Dejan Dukic From the MBI Agency: "Full-Contact Managers"

We rarely run across interlocutors, such as Boge and Deko, the heads of the MBI Bodyguard Company. They are tousled and unshaven but strong and big (particularly the latter). The dialogue with them, which took place on Tuesday, was not one of the nicest things in the world. To begin with, their vocabulary is quite specific; second, they look in such a way that whenever you ask a question, you feel some apprehension as to whether they would like it or not. Still, despite occasional provocations on our part, these "agents," if we could describe them as such, quite gently answered and explained their actions.

[PULS] Last week you were the targets of a police sweep. Could you tell us what happened?

[Ugrinovski] On Monday morning, at 4:00 a.m., equipped with a search warrant, the police came to see me and found one pistol and some 70 bullets. However, this pistol belongs to my brother, who is in the military and has a permit. After the search, I was handcuffed and kept in police premises at the Bit-Pazar precinct for a period of three days. Sometime around Wednesday noon, I was released, as though nothing had happened. Incidentally, let me mention that throughout this time the police behaved correctly and there were no problems.

[PULS] Did you get in touch with the police after the announcement which called you racketeers?

[Ugrinovski] Yes, but we were told that they did not know the reason for this.

[PULS] Many people link the work of the security agencies with extortion and use of force. Does MBI engage in racketeering?

[Ugrinovski] We do not engage in this and have never done so. I am frequently asked if we approach companies and threaten them in order to extort money. I categorically state that our agency has nothing to do with racketeering. We work legally. We do not approach companies but wait for them to come to us and ask for our services. Whenever this happens, we inform the nearest police precinct that we shall be providing security to a specific entity, and only then accept the request.

[PULS] To what projects and houses have you provided security so far?

[Dukic] We provided guards to the Skopje Jazz Festival, the European Wrestling Championship which was recently held in Radovis, the Belgrade visit of the "Powder Keg" show, the Tehnogas, Sileks, Tehnometal, and Makopsed companies and, recently, the Hard Rock Discotheque. We guard coffee shops on JNA-Bulevar, Akvadro, MCM Coffee shops, and others. After the MVR action, we lost all of our business, for the people thought that we were dealing in drugs.

[PULS] Was all this done on a voluntary basis? We are asking this because it is being said that such protection is extorted: You go to the bosses and tell them, "You will either pay or we will break up your coffee shop." Would you agree that there have been such cases?

[Dukic] I repeat, we do not use force. We operate exclusively on the basis of a contract. I will not comment on the cases you mention.

[PULS] How many people are employed by MBI and what is their profession?

[Ugrinovski] We have 22 full-time people and about 10 people on a free-lance basis, on whom we call when needed. They are body builders, karate experts, wrestlers, boxers, fighters, and so on. Let me point out that our agency is the oldest of its kind in our country and has been in operation for the past two years.

[PULS] How is your company registered?

[Ugrinovski] There is no separate registration for our activities. We are registered as "services to households and other activities."

[PULS] Are you cooperating with other similar agencies, specifically with the RSM agency which was included in that same police report about the action against racketeers?

[Dukic] We neither know nor cooperate with them.

[PULS] Excuse me, but this is hard to believe. You are colleagues in the same branch.

[Ugrinovski] Once again, I tell you that we do not cooperate at all with any other similar company, and that the claim that, allegedly, we have divided Skopje into zones for racketeering is false. Skopje does not belong to my father....

[PULS] What is the rate you charge to the "insured?"

[Ugrinovski] Depends on the service. For example, we charged 1500 German marks for our services to the Jazz Festival.

Major "'Vice"

Compared with our neighbors, we can confidently state that in Macedonia, when we look at the so-called racketeering, which is one of the favorite occupations of organized crime in all former socialist countries, our mafiosi, thank God, are "children" who could be apprentices of their colleagues in Belgrade or Sofia. As proof, for example, we could take some of the headings which we found in the past 20 days, in the Sofia daily press, frequently noting "movements" in the local underground, as was the recent murder of Plamen Mikhailov "Kambata," one of the coowners of the Apollo and Balkan "insurance" companies.

The link between said "Kambata," who formerly drove a truck for the Chistota Sofia Enterprise, and who later, in 1991, became a member of a Bulgarian police special actions unit dealing with racketeering, is essential and applies in Bulgaria to the familiar secret that said "insurance" companies in fact survive by collecting a substantial amount of cash that even the elite Sofia hotels had to pay. The other remark relative to the killed businessman is purely "typological," and refers to the fact that some companies of this kind, that are presently dominating the Bulgarian underground, including "Apollo and Balkan," are mainly headed by police dropouts, unlike the bosses of the previous generation of "insurance" companies, such as the legendary but now closed down VIS and VIS 2, headed by former athletes, most frequently wrestlers or karate experts. Be that as it may, those familiar with the situation say that the noted typological difference is not particularly great, for even the new companies basically operate as some kind of "major vice" affecting many people, whether they like it or not.

Poland: Daily on Purpose of Coming Holbrooke Visit

WS0502133196 Warsaw ZYCIE WARSZAWY in Polish 3-4 Feb 96 p 1

[Commentary by Grzegorz Jankowski: "Holbrooke's Mission"]

[FBIS Translated Text] A lot seems to indicate that the moment has come when Poland's admission to NATO will be decided. It seems that the U.S. Administration, dominated by the Democrats, has finally recognized the necessity of admitting Central European countries to the alliance.

First, the Americans do not want to lose the big game they are playing with Russia to gain influence in Europe. Their defeat would mean that the countries in our part of Europe would again be dependent on Russia; it would also mean a new confrontation between the United States and the Kremlin. The second factor is the pressure that is being exerted by the American Polonia, which, as never before, has organized a strong lobby. Clinton is counting on its support in the presidential elections. Third, the fact that Washington is so interested in the Oleksy case also proves that the Americans want NATO expansion. They want to look upon Poland as a credible partner.

On the other hand, the Russian diplomatic services have launched an even more violent offensive to torpedo the NATO expansion plans. There are two facts that illustrate this very well: the nomination of former intelligence head Primakov as head of the Russian diplomatic services, and the probable nomination of Deputy Foreign Minister Krylov as Russian ambassador to Poland.

Thus, U.S. envoy Richard Holbrooke, who will come to Poland on Tuesday, will expect more from Kwasniewski than clamorous and, in fact, insignificant declarations that the authorities in Warsaw will continue a euro-atlantic direction in their policy. He will demand specifics. What specifics? He has already given the first signal: He has not invited Oleksy. He will want to see how the case of the former prime minister is being handled. This, not declarations, will be a more important factor, which NATO will take into account when it makes its decision.

Poland: Polish-Russian Roundtable on NATO Expansion

WS0602123596 Warsaw GAZETA WYBORCZA in Polish 5 Feb 96 p 2

[Article by Edward Krzemien: "The Russians Told the Poles Why They Did Not Want a Larger NATO; A 'Roundtable' Divided"]

[FBIS Translated Text] *The Russians did not expect the Polish political elites to be so unanimous about entering NATO. The Poles were surprised by the open declaration of the Russians that they will not allow it.*

Both sides claim, however, that the issue of NATO expansion should not stand in the way of developing friendly relations between Poland and Russia. For two days, several dozen experts from both countries talked about Russia, Europe, and NATO behind closed doors in the government complex opposite the Russian Embassy.

Both sides stressed that this was the first exchange of arguments and not slogans. The unanimity of Polish politicians on the issue of NATO expansion made the largest impression on the Russians. As one of the Russian participants told us, they had expected differences of opinion between representatives of the post-Solidarity parties and the Polish postcommunists. They did not find any.

"We realized that there exists a true consensus in Poland on entering NATO," said former Deputy Foreign Minister Andrey Fyodorov, currently affiliated with the communist opposition. "Russia is beginning to realize that Poland's decision to join NATO is final and that it cannot be changed by force. Your membership in NATO cannot lead to a worsening of Russian-Polish relations."

The Russians openly warned they would do everything to prevent the process of NATO expansion. President Yeltsin's aide Professor Sergey Karaganov said that Russia has already launched an offensive in Western capitals. He stated that 80 percent of West European elites are against NATO expansion. Polish experts, however, considered the claim untrue and an expression of wishful thinking on the part of Karaganov.

The Russians raised various arguments against the expansion of NATO:

—Strategic: The proximity of NATO would cause the disappearance of a security zone.

—Political: NATO expansion would isolate Russia from Europe.

—Psychological: The majority of Russians continue to see NATO as a hostile alliance.

Most important of all, the threats allegedly posed by NATO could be used by the anti-Yeltsin communist and nationalist opposition in the presidential elections. "NATO is a very effective scarecrow," said the Russian participants. "The communists do not have any constructive platform; therefore, they can turn this into their chief slogan."

The Russians argued that their objections to NATO expansion are not directed against Poland. "Most probably we can cut the process short or prolong it," said Karaganov. "Good relations with Poland are important because we do not want to create the impression that Russia is plotting against Poland and that Poland is being abandoned by both West and East." He added that, after the Warsaw talks, both sides have approximated the desirable model of Polish-Russian relations: "Regardless of whether Poland is in NATO or not, it should be a friend of Russia, and Russia should have good relations with Poland."

None of the Poles, however, agreed with the Russian arguments. As Professor Bronislaw Geremek, chairman of the Sejm Foreign Affairs Commission (of the Freedom Union), emphasized, there were no differences in opinion on the Polish side. "No exchange of political elites will change anything as far as Polish-Russian relations are concerned. If the Russians had counted on it, they were disappointed." Geremek claims that the problem of NATO expansion has been exaggerated by the Russians. "The Russian political elites have been using Poland's bid for NATO as an element of populist demagoguery in their internal political fight."

In a speech delivered at the Institute of Eastern Studies, Sergey Karaganov humorously summed up the expectations the two sides had in connection with the newly entered dialogue. "For our Polish friends, it is a way of proving to the West that they are capable of having good relations with Russia. For us there is a different context. I am not losing hope that our Polish friends will come to realize that entering NATO is not the most effective way of entering Europe, to understand that it is in the interests of Poland to enter the EU and be friends with Russia. This is the reason I took part in these 'roundtable' talks."

Both sides agreed that similar meetings have to be held in the future. The minutes of the Warsaw meeting are to be published in Polish and Russian.

Poland: President: No Place for Opposition in Government

AU0602074196 Prague MLADA FRONTA DNES in Czech 3 Feb 96 p 8

[Interview with Polish President Aleksander Kwasniewski by Petr Simunek in Davos; date not given: "Kwasniewski: There Is No Place for the Opposition in the New Polish Cabinet"]

[FBIS Translated Text] Davos—Polish President Aleksander Kwasniewski, who attended the World Economic Forum in Davos for the first time as head of state, said in an interview for MLADA FRONTA DNES apropos the composition of the new cabinet that the opposition should not have a seat in this government.

[Simunek] Has the tense political situation in Poland had an influence on your reception and on the reaction of businessmen in Davos to its policy?

[Kwasniewski] I do not think so. Fortunately, the Polish economy is doing well, despite the fact that we have political problems now and then. Economic growth and the influx of investments rather than politics provide our credentials here. It is true that it is a little more lively in our country following the presidential elections. I would not exaggerate our problems. I entrusted Mr. Cimoszewicz with forming a government on 1 February, and I believe that the government will last until the elections in 1997.

[Simunek] The current government crisis in Poland was caused by the accusation against former Prime Minister Oleksy of collaboration with the KGB. What do you personally think will come of this affair?

[Kwasniewski] I will not venture to say; this is a matter for the court. Mr. Oleksy did the right thing when he stepped down, and I would like to believe his statements that he is innocent. But, demonstrating it is now up to other people. I will not anticipate this.

[Simunek] Did you yourself support Oleksy's candidacy for the chairmanship of the Social Democratic Party?

[Kwasniewski] I am no longer a member of the party, so I was not involved in this. I think, however, that it acted quite correctly when it presumed him to be innocent. It has taken a risk, but its course of action deserves recognition.

[Simunek] Poland has become more attractive to foreign investors recently. Of course, it competes with our

Republic for their favor. Does this not complicate mutual relations?

[Kwasniewski] This is true, but we should not see one another as rivals. We are neighbors with similar objectives. I believe that our joint course of action with regard to the European institutions will intensify; I attach great significance to this. Perhaps our relations should only be even more intense.

[Simunek] Entry into NATO will obviously also be a topic of Richard Holbrooke's talks in Warsaw. What kind of stance will you convey to him?

[Kwasniewski] We will try to convince him that our entry into European structures must in no way be slowed down. The continuation of the entire process since the collapse of the Iron Curtain and this process are essential for the two sides.

Poland: Prime Minister-Designate on Cabinet, Policies

WS0502153696 Warsaw TRYBUNA in Polish 5 Feb 96 pp 1, 3

[Interview with newly designated Polish Prime Minister Wlodzimierz Cimoszewicz by Zbigniew Krzywicki; place and date not given: "I Am Constructing a Coalition Government"]

[FBIS Translated Text] [Krzywicki] In your statements up to now, you said that as prime minister you intend to continue implementing tried solutions and emphasize the need for legitimacy. Mr. Prime Minister, I would like to ask you about what I call the philosophy of governing. Which of the achievements of the cabinets of your predecessors do you consider worth continuing?

[Cimoszewicz] It is obvious that the coalition's economic policy to date has been successful. It is bringing very good results, and even the opposition is finding it difficult to formulate convincing criticism. The debate on the draft budget law for the current year is a typical example; speeches made by representatives of the opposition parliamentary clubs usually began with the statement that the facts are such as they are. This means that we have dynamic economic growth and that certain social maladies, such as unemployment, have been healed. Numerous economic reports on, for example, the inflow of foreign capital and the level of investment indicate that this should be an ongoing trend. I have no doubt whatsoever that basic assumptions of the current economic policy should be continued.

Naturally, as always, we must keep in mind the social costs of any economic reforms and seek ways of reducing them.

All of the basic assumptions of Polish foreign policy have to be sustained. I will not go into detail because this is perfectly clear.

The previous cabinet listed the safety of our citizens as a top priority.

Being aware of the needs, which I saw also in my previous post, I wish to support both the Ministry of Internal Affairs and the Ministry of Justice in this respect.

Finally, many charges have been brought over recent years against the conduct of public figures, ties between the world of politics and the world of business. If I succeed in forming a cabinet, and I trust I will, I will firmly require state officials to be crystal-clear. I wish to prevent any charges not only of disrespecting the law, but also of making decisions for personal reasons, and so forth.

[Krzywicki] Is there anything that requires "modified continuation" or introducing certain changes?

[Cimoszewicz] I do not wish to speak of changes. This is to be a government of the same coalition, a government of continuation of the same policies. If we have to seek different means of implementing these policies, it is primarily in the field of internal security and the safety of our citizens. Because of the political climate, characterized by heated debates, sharp rhetoric, and the breaking off of all ties between the government and the opposition, I am prepared, as far as I can be in the capacity of prime minister, to do everything possible to encourage agreement, to guarantee greater openness of government policies, on the one hand, and more thoroughness on the part of the opposition on the other. This is to enable a dialogue leading to the definition of certain areas of affinity in opinions and interests, areas where there is no destructive political rivalry.

[Krzywicki] You have already mentioned this, but I would like to ask you about the necessity of respecting the law. Are any new legislative initiatives needed?

[Cimoszewicz] The problem we are talking about does not really call for new legal acts. I wish to remind you that drafts of a new penal code have already been submitted by the Sejm and should be reviewed before the end of the term. Certain amendments allowing for certain types of crime to be combated should be considered. One such example is the banking law, which will prevent money-laundering. This is an extremely dangerous phenomenon because it provides a solid economic foundation for the criminal world.

Far more important are practical measures to make fighting crime more effective. I mean here the methods of making the work of the police more efficient by, among other things, more intensive training for police officers. This also refers to many officers of the justice administration. These issues will be taken up in more detail in the future.

[Krzywicki] Your public activities for years have been marked by a pro-state attitude. You often expressed it against the expectations of a majority of the Democratic Left Alliance [SLD]. Will this be reflected in any way in the composition and attitude of your cabinet?

[Cimoszewicz] Naturally, I very much want the government I am to head to be credible and serve the society and the state well. Perhaps my hard and rigorous approach to the law and legitimacy is due to the fact that I myself, just like many Poles, remember how many times in our history we failed to take advantage of our victories. Today, as a nation, we are bound for success, we have carried out huge changes in our country, we not only improved our standard of living in the material sense, but also introduced changes that transformed us into free people in a democratic state. We must only prevent the destructive force of our weaknesses from coming to the fore, such as the one that, when we quarrel, we lose the general interests from sight, placing our own arguments above the universal welfare.

A democratic state has to be a state with a strong government that is recognized by its own citizens, strong not owing to the instruments it has at its disposal, but owing to its credibility, efficiency, and the respect it enjoys. This is extremely important for us.

In view of the current international situation, Poland is very lucky because it has no enemies. This state of affairs has to be preserved, among other things, by strengthening the authority of our state, by introducing basic order, and by observing the rules that are a prerequisite for the normal life of a democratic society.

[Krzywicki] The president has said that the job of prime minister in Poland is a "seasonal" one. You would probably like for your government to continue to function at least until the next parliamentary elections are held at the time provided for by the Constitution.

[Cimoszewicz] I am building a government that should continue to operate for the next year and a half—that is, until we elect the new parliament that is to approve the new Council of Ministers. Will it be a time of peace? The government will definitely avoid conflicts. I want all cabinet members to remain open to various postulates and interests, to various social groups, various economic and social institutions in our country—groups representing the rights of employees on the one side and employers on the other. Over the past few years, we have created the mechanisms and procedures of solving difficult problems by negotiation. The atmosphere in our country should not be heated up by any one to a level at which it would pose a threat of social upheaval. There are no objective reasons for this to happen. Only unbridled political rivalry for power after the next parliamentary elections could give rise to such a risk.

[Krzywicki] Mr. Prime Minister, I wish you success in your mission of forming a new government.

[Cimoszewicz] Thank you for the wishes, but, at the same time, I want to stress that I am forming a coalition government. As prime minister, I will represent the government, the public interest, and the platforms of the two parties within this government. I greatly respect my colleagues from the SLD, who came up with my candidacy. At the same time, I understand they are not expecting me to be an SLD prime minister, representing exclusively that party's platform. To be the head of the Polish Government means much more.

Poland: Coalition Continues Talks Over 3 Ministries

LD0602111496 Warsaw Polskie Radio First Program Network in Polish 0800 GMT 6 Feb 96

[FBIS Translated Text] The talks held so far between the leaders of the SLD-PSL [Democratic Left Alliance, senior coalition partner, and Polish Peasant Party, its junior partner] have not resulted in the formation of a new government yet. The talks will be continued today, and, in the opinion of representatives of the coalition, the composition of the new cabinet ought to be known either today or tomorrow.

Jozef Oleksy, the head of the SLD negotiating team, told Polish Radio today that the constitutional deadline for creating a new government will be adhered to. Oleksy confirmed that another person would replace Jerzy Jaskiernia, head of the Ministry of Justice, in the new government of Wlodzimierz Cimoszewicz. But he declined to give this person's name:

[Begin Oleksy recording] The plan is for the coalition to finally recognize that the formation of the government has been completed. Although a few points still have to be tied up today, the plan is that on Wednesday, or Thursday at the latest, the president should be able to swear in this government, especially because the deadline for this constitutional formula of creating a government expires on Friday. So that means there are only three days left. [end recording]

The PSL is still insisting that Privatization Minister Wieslaw Kaczmarek from the SLD should not be a member of the new government. Janusz Dobrosz, deputy leader and spokesman of the PSL parliamentary floor group, confirmed this today in an interview for Polish Radio. Prime Minister-designate Wlodzimierz Cimoszewicz has not excluded that former Ombudsman Professor Ewa Letowska might become minister of justice. Cimoszewicz added that it has not been decided yet who is to head three ministries. However, the PSL is still insisting that someone from the PSL should head the Ministry of Justice. The PSL is examining the possibility of Aleksandr Luczak resigning from the post of deputy prime minister. It is being said unofficially that Miroslaw Pietrewicz, head of the Central Planning Office, should replace him in this post. PSL politicians are denying allegations that Roman Jagielinski should also lose the post of deputy prime minister.

The Main Council of the SDRP [Social Democracy of the Polish Republic—core party in the SLD alliance] is supposed to be examining nominations for the new cabinet this morning.

Poland: Coalition Talks on Cabinet Composition

WS0602123696 Warsaw SZTANDAR in Polish 6 Feb 96 p 1

[Article by Joanna Malara and Piotr Golik: "Government Almost Composed, Prime Minister's Speech at Next Sejm Sitting; Most Recent Decisions of the Coalition"]

[FBIS Translated Text] *The swearing-in of the new cabinet will be possible on Tuesday or Wednesday, said Prime Minister-designate Wlodzimierz Cimoszewicz. The coalition parties will continue to talk about the composition of the government today.*

According to our information, Roman Jagielinski is to be one deputy prime minister in the Cimoszewicz cabinet, whereas the other will be Miroslaw Pietrewicz, who until recently was the Polish Peasant Party [PSL] candidate for prime minister. He would replace Aleksander Luczak, who has been a deputy prime minister so far.

Most probably the office of justice minister will be assumed by Professor Ewa Letowska, former spokeswoman for civil rights. Yesterday she was not in Warsaw. The government spokeswoman refused to comment on her candidacy.

It is not at all certain whether the PSL will accept Wieslaw Kaczmarek as the head of the Privatization Ministry.

Cimoszewicz said that "only a few ministerial posts remain vacant." Thus, it cannot be ruled out that, at the next sitting of the Sejm, between 14 and 16 February, the new head of the government will make his official speech, after which a vote of confidence in the government will be taken.

Wlodzimierz Cimoszewicz stressed that the composition of the Council of Ministers would depend on, among other things, the stand the PSL takes on this issue. Yesterday the PSL Chief Executive Committee [NKW] convened to discuss matters for a few hours; its representatives, who were late for the coalition talks, returned to the session to present the result of the negotiations.

The PSL leaders were accompanied by Wlodzimierz Cimoszewicz and Marek Borowski. According to observers, Chairman Waldemar Pawlak wanted the two guests to become very convinced about the force of the NKW's opposition to some of the proposals made by the prime minister-designate; they informed the Chief Council of the Social Democracy of the Polish Republic, which is convening today, about it.

Poland: Commission Report on Oleksy Case Published

WS0602083696 Warsaw GAZETA WYBORCZA in Polish 2 Feb 96 p 6

[Article by Lucyna Pietrzyk, chairman of the Sejm Extraordinary Committee: "Sejm Extraordinary Committee's Report; Oleksy's Guilt Was Not the Subject of Inquiry"]

[FBIS Translated Text] Yesterday deputies and journalists received the Sejm Extraordinary Committee report on the investigation of the legality of state bodies' actions in the case of Jozef Oleksy's alleged contacts with foreign intelligence. Following is the text of the committee's report on the investigation of the legality of state bodies' actions concerning the motion to launch preparatory proceedings in the event a crime was committed against state security, a motion sent on 19 December 1995 by the minister of internal affairs to the Chief Military Prosecutor's Office, and the implementation of this motion .

I. Legal Grounds and the Scope of the Committee's Actions

On 22 December 1995, the Sejm of the Polish Republic, acting on the basis of Article 11 of the Constitutional Act of 17 October 1992 on mutual relations between legislative and executive powers of the Polish Republic and territorial self-government, and on the basis of Article 20 of the Polish Republic Sejm's statute of procedure, appointed a committee to investigate the legality of state bodies' actions concerning the motion to launch a preparatory investigation in the event a crime was committed against state security, a motion sent on 19 December 1995 by the minister of internal affairs to the Chief Military Prosecutor's Office, and the implementation of this motion.

The task assigned to the committee by the Sejm of the Polish Republic is to investigate the legality of those state bodies' actions that led to the submission of a motion in the Chief Military Prosecutor's Office and to examine whether the procedures employed by the state bodies contradicted the law.

According to the constitutional principle of separation of powers (Article 1 of the Constitution Act), the committee is not eligible to examine those circumstances of the case on which the prosecutor and a court of law are entitled to rule in the course of courtroom proceedings.

The committee is not authorized to examine and assess the legitimacy of the motion and the collected evidence in the case. Therefore, Jozef Oleksy's guilt or innocence is not the subject of the committee's proceedings.

The task of the committee is to examine whether the actions undertaken by state bodies both before submission of the motion and in the course of its implementation complied with the statutory authorization of those bodies, as well as whether, undertaking these actions, these bodies engaged in illegal proceedings.

Guided by such defined assignments, the committee is obliged to explain:

1. The legal grounds for acquiring information that constitute the reason for submitting the motion in the Prosecutors' Office.

2. The legality of proceedings in relation to the acquired information.

3. The conditions and circumstances in submitting the required supplementary materials to the prosecutor.

II. Implementation of the Sejm Act of 22 December 1995 by the Committee From 22 December 1995 to 30 January 1996

The committee appointed on the basis of the aforementioned Sejm Act and after having been constituted (the committee presidium was selected at its first session on 22 December 1995) immediately set to work.

On 23 December 1995, an initial schedule of the committee's works was outlined, and a decision was made to submit a letter to Prime Minister Jozef Oleksy, appealing to him to stop making personnel changes in the Ministry of Internal Affairs [MSW] and the Office of State Protection [UOP].

The reason for such a committee stance was the dismissal of General Henryk Jasik from the position of under secretary of state in the MSW.

The committee acquainted itself with the following materials:

1. The minister of internal affairs' motion of 19 December 1995 submitted to the Chief Military Prosecutor.

2. The UOP's operational materials concerning this case.

3. The correspondence between state bodies related to the motion directed to the Chief Military Prosecutor.

4. The Chief Military Prosecutor's motions to supplement the materials and the minister of internal affairs' responses.

To fulfill the tasks vested in the committee, it held hearings with the following persons:

1. Within the framework of legal grounds for obtaining information that constitutes a reason for submitting a motion in the Prosecutor's Office:

—Andrzej Milczanowski (twice)

—Gromoslaw Czempinski (four times)

—Henryk Jasik

and a few former and present officers of UOP (questioned outside the committee's premises).

2. Within the framework of legality of proceedings and their compliance with the acquired information, apart from the people mentioned in Item 1:

—Jozef Oleksy

—Pawel Moczydlowski

—Boguslaw Kowalski

—Henryk Goryszewski

—Stanislaw Iwanicki

and it heard the opinions of:

—Andrzej Zoll

—Jerzy Jaskiernia

3. Within the framework of conditions and circumstances of submitting the required supplementary materials to the prosecutor:

—Ryszard Michalowski (twice)

—Jerzy Koniecznly (four times)

The committee undertook to dispel the discrepancies in the testimony revealed during the hearings by confrontating the testimony of the following witnesses:

—Jerzy Konieczny

—Gromoslaw Czempinski

—Ryszard Michalowski

—Wiktor Fonfara

The committee held 16 sessions, devoted mainly to hearings of witnesses, getting acquainted with the materials, and making the first report about the committee's work.

On many occasions, Sejm Speaker Jozef Zych participated in those sessions. In the course of its activity, the committee requested various state bodies to send additional important materials and documents for the committee's further findings, particularly: the Chancellery of the president of the Polish Republic, the Office of the Council of Ministers [URM], the MSW, the Chief Military Prosecutor's Office, and others.

The committee requested the Office of Research and Expertise of the Sejm Chancellery to make an expert report on both the mode of the proceedings of the committee itself and the powers and responsibilities of the bodies that came within its powers.

III. The Initial Conclusions

On the basis of the findings to date, the committee states as follows:

1. Acquiring information of significance for state security by UOP, including its Directorate of Intelligence, is in implementation of Article 6, Paragraph 1 and Article 1, Paragraph 2, Items 1, 2, and 3 of the Law on UOP of 6 April 1990, no matter whether the information is pertinent to occurrences or persons.

This mode of UOP's acquisition of information pertaining to Prime Minister Jozef Oleksy, including that obtained from foreign sources, is not illegal.

The committee found as groundless the allegations that the information pertinent to Jozef Oleksy had been fabricated by UOP officers.

This finding does not contain an assessment of the information's credibility, its substantial and legal aspects, which the committee is not authorized to assess.

2. The minister of internal affairs's responsibility to immediately relay very significant information about state security to the president and the prime minister, resulting from the regulations of Article 7, Paragraph 3 of the Law of 6 April on the office of the minister of internal affairs, contradicts Article 227, Section 1 of the penal code, which provides that a person suspected of committing a crime (in this case the prime minister) can acquaint himself with the documents only after charges have been made against this person. Because of the contradictions in the two regulations quoted above, one should recognize that, in light of the constitutional principle that all citizens are equal before the law (Article 67, Paragraph 2 of the constitutional statutes, kept in force based on Article 77 of the Constitutional Act), a regulation of the penal code is applied before the authorization norm contained in the Law on the Office of the Minister of Internal Affairs.

Relaying the information concerning Jozef Oleksy to the president of the Polish Republic, while circumventing the prime minister, was not, in this case, a violation of the law.

3. There are justified suspicions that the minister of internal affairs, by revealing the information acquired in the course of operational and surveillance actions to the Sejm of the Polish Republic on 21 December 1995, violated Article 12, Paragraph 1 of the 6 April 1990 law. The committee recognizes that it is necessary to further examine the circumstances of this case.

4. As to the date of forwarding the motion to the Chief Military Prosecutor to launch penal proceedings in the state security case, the committee found that UOP had gathered in advance materials that constitute grounds for filing this motion.

This fact might be sufficient to level a charge against the minister of internal affairs for delaying informing the prosecutor about a crime.

According to the testimony given before the committee, there was a supposition that the conducted operational actions would supply further materials in the subject matter.

What results from the questioning of Minister of Internal Affairs Andrzej Milczanowski is that the choice of a date for forwarding the motion to the Chief Military Prosecutor was influenced by political circumstances. Inasmuch as the committe was not empowered to assess the presented material, which constitutes the basis of the motion, it is not feasible to determine whether the choice of the date to forward the motion impaired the efficiency of operational actions or whether the principle of law was violated.

The committee's finding that the choice of the date of forwarding the motion to the Chief Military Prosecutor's Office was influenced by political circumstances does not provide grounds to state that the law was violated in this respect.

5. Because the Chief Military Prosecutor withdrew immaterial questions he had asked earlier of the minister of internal affairs, there were no further consequences in the implementation of the motion.

Because it is necessary to conduct further committee activities aimed at determining the course and nature of particular actions of state bodies engaged in making and sending the motion to launch an investigation and its implementation to the Chief Military Prosecutor's Office in an impartial manner, the committee's conclusions presented in this report should be approached as inconclusive.

IV. The Activities Planned by the Committee To Be Implemented

Because the matter is multifaceted and it is necessary to clarify all of the circumstances related to the case, comprised by the committee's authority vested in it by the Sejm Law of 22 December 1995, the committee plans to question other persons as witnesses and to examine documents to be sent by the relevant state bodies.

The date of completing the work and presenting the final report to the Sejm is difficult and cannot be determined at this time.

Warsaw, 31 January 1996

Lucyna Pietrzyk, Chairman of the Committee

Poland: Former Prime Minister on Espionage Charges

WS0502143896 Warsaw POLITYKA in Polish 27 Jan 96 pp 15-18

[Interview with former Polish Prime Minister Jozef Oleksy by Jerzy Baczynski, in cooperation with Krzysztof Mroziewicz; place and date not given: "Back Against the Wall"]

[FBIS Translated Text] [POLITYKA] Have you seen the materials pertaining to the charges that you collaborated with a foreign intelligence service that have just been submitted to the military prosecutor's office?

[Oleksy] I have not seen them. I do not even want to see them, although I do have doubts whether I am right because more keeps coming up in the media, opinions are being formulated on the basis of these materials and all I have are bits and pieces of information. I have not tried to meet with Prosecutor Michalowski or the prosecutors who are to examine those materials, or even with [Justice] Minister Jaskiernia so as not to give any reason for charges of manipulation. I adopted the principle that I will not react as long as the procedures do not require me to do so. I do believe that real impartiality should be retained.

[POLITYKA] But you must have a guess as to what those materials might contain?

[Oleksy] The contents were partially revealed by [former Interior] Minister Milczanowski himself when he said that I had allegedly passed on some documents to a Russian agent. Second, Milczanowski suggested that there is proof I continued to contact Vladimir Alganov after the head of the Office of State Protection [UOP] had warned me he was a KGB officer. And, finally, I can only presume that there is proof Alganov was an acquaintance of mine. This is particularly amusing considering that I would confirm it personally if asked, and thus the secret services would not have to be employed. There is also undoubtedly something that is referred to as operational materials: cassettes, notes, testimony purchased from agents, allegedly some materials from my Moscow file, but I cannot even guess what that might be. Various reporters, however, write about this in varying degrees of detail.

[POLITYKA] What about the tape recording quoted by the press in which you say: "We must change the form of contact." This is said to be your warning to Alganov.

[Oleksy] I have heard that the alleged telephone conversation is recorded. It even fits in quite well with the theory that I was an agent. It will, however, be extremely difficult to prove the authenticity of that recording simply because no such conversation ever took place.

[POLITYKA] You said at the Sejm that the evidence is "fabricated to a large extent." You are suggesting this also holds true of the tape recording. But if you say "fabricated to a large extent," one might assume that to some extent they are authentic.

[Oleksy] Because they are. I confirm I knew Alganov, that I met with him, talked, partied. I do know, however, that there was no spying, secrecy, handing over of materials. I sometimes wonder what I could have "spied out" and how I could have harmed Poland if the hypothetical situation presented by the prosecution was true.

[POLITYKA] Does that mean you have nothing to blame yourself for?

[Oleksy] I blame myself for certain foolishness I now see very clearly. I did not look at it that way back then. My acquaintance with Alganov lasted over a longer period of time, on and off, sometimes with longer intervals, although right now people have the impression that all Alganov did was hang around with me.

[POLITYKA] Did your contacts continue when you were speaker of the Sejm?

[Oleksy] That was earlier. He then left Poland, but I do not remember any dates because I never thought I would need them for anything. Today I see how foolish

I was because a politician should not be overly friendly with any foreign diplomat, if only for the reason that he might be performing some other functions.

[POLITYKA] I understand you did not realize Alganov could have been a KGB officer.

[Oleksy] I never thought so.

[POLITYKA] Excuse me, but is that not naive? Every adult Pole knew that a Soviet diplomat had to write reports.

[Oleksy] This is something that is currently difficult to explain, but for me he was just a friend, not a diplomat or—even worse—a spy.

[POLITYKA] Could you tell us more about your acquaintance with Alganov? Was it friendship? Did you see each other often, at home, at tennis courts?

[Oleksy] I do not play tennis, therefore, we did not meet at tennis courts. I do know, however, that Mister Alganov often played tennis with other Poles, among them allegedly Marian Zacharski. That is something I would make a note of, not my tennis playing.

Because Alganov lived in the same housing district that I did, over the years we got to know each other quite well. He spoke excellent Polish and there were even times when we did not treat him as a foreigner. We went out for walks, but usually there were more people, neighbors. We did not meet in hiding, just the two of us. Our children knew each other well, we met at name-day parties at my home and elsewhere—the regular social life. Alganov did not enjoy any privileges among his friends. There were homes where he was a frequent guest.

[POLITYKA] That good friend of yours, it now seems, told on you to Zacharski and is defending you from Moscow. That is hardly a favor.

[Oleksy] I do not think we will ever learn what happened during Zacharski's meeting with Alganov in Majorca. Besides, why would they meet in Majorca if they played tennis together in Warsaw? I find the close ties between Polish and Russian agents stunning. To my knowledge, the majority of materials and statements incriminating me come from the KGB. UOP is doing nothing to hide this. For God's sake, why are these materials so easily accessible? I do not know how all this works, so all I can do is express my surprise.

[POLITYKA] But it is surprising that you continued to contact Alganov after 1989. Did you not notice that the context of these meetings had changed?

[Oleksy] I wish to repeat that we should look at this from the perspective of the past. We were friends; perhaps that is why I was not overly cautious. Besides, at the time I was neither a speaker nor a prime minister, so I did not see any reason to review my personal contacts, although I should have. Moreover, perestroyka had begun in the Soviet Union, and I was very interested in that. He was interested in the changes that were taking place in Poland that I observed—we talked, debated. After all, the Russians and the Poles keenly followed the changes so there were many topics for discussion. There was nothing clandestine about this, neither one of us strived to maintain the contacts, sometimes we did not meet for whole months. There were no discreet meetings in the woods, in hiding, behind a tree, or in what is now called contact points. That is absurd. We were nearly always accompanied by someone else. A normal acquaintance, only a bit too friendly; that is how I describe it today. Some may find it odd, but in a sense I felt I had the responsibility of explaining the changes taking place in Poland to the Russians so that they could understand them properly.

[POLITYKA] So Alganov did not blackmail you in any way?

[Oleksy] That is absurd. I could have thrown him out of my home at any time.

[POLITYKA] It is said that Alganov handed you over—or introduced you—to his successor, Yakimishin. That is what Minister Milczanowski told POLITYKA.

[Oleksy] This is the dirtiest trick of all, choosing professional terminology to describe normal ties between people. When Alganov was just about to leave Poland, there was a party at the embassy during which they both approached me. Alganov said he was his friend from university days, a new embassy employee who still had much to learn about Polish affairs. He asked me whether Yakimishin could contact me if he had any questions. I said yes. We later met four or five times, but because he never made an appointment and always turned up unexpectedly, my wife got angry and that was the end of the acquaintance. That is all there is to it, the great agent Yakimishin supervising me, another superagent. Why the legend!

Naturally, I was foolish. As is now clear, they set it up professionally on their side. I think it is extremely low of them to register personal contacts, count them as their success and qualify it as intelligence acquisition. For them, Olin could have really existed because I do not know the methods they use to register personal contacts or their information channels. If they were involved with espionage, I have no influence over what they passed on, who they tried to impress, what code names and names they invented. I would not be surprised if Yakimishin turned out to be the agent UOP "bought."

[POLITYKA] Let us leave all this evidence to the prosecutor's office and discuss the developments of the past few weeks. When did you learn that incriminating material was being collected against you?

[Oleksy] I learned about the incriminating materials from President-elect Kwasniewski, already after the elections, when he was notified by the Ministry of Internal Affairs [MSW] about the case. A bit earlier I had vague signals that the MSW was "simmering," that secret meetings were being held in the middle of the night and early morning, and that the participants were always the same: Milczanowski, Jasik, Zacharski, Fonfara, Zimowski. These meetings were becoming increasingly intense, some of them were held at Lech Walesa's [not further explained], in the period between the elections and the Supreme Court ruling on their validity. The chief motto was "Collecting material on public figures." I did not treat that seriously, but it was a time of postelection fever, so, just in case, I asked [UOP head] Czempinski to inform the head of the Cabinet whether any operation of collecting (only later I would say "fabricating") materials was being carried out. Czempinski confirmed, but he refused to give any details because the entire case was then taken over by Minister Milczanowski himself.

It was late night, but I nevertheless demanded that Minister Milczanowski come to the Office of the Council of Ministers. Milczanowski came. I asked him to fill me in, according to the law, about special MSW operations. "I will not tell you anything, and please do not jump to any conclusions," Milczanowski replied. "You do realize," I said, "that, in this situation I have grounds to suspect that illicit operations are being carried out, that a plot is in the making?" "I will not tell you anything," Milczanowski repeated. The next day I wrote to the minister asking whether any operations were under way against public figures. I received an answer signed "Confidential, of special importance" that President Walesa had absolved him of the responsibility of reporting to me. I therefore wrote a letter to the president demanding that "the principles of a democratic state be restored." I did not get a reply until I learned, to my surprise, that all of this had to do with me.

[POLITYKA] Why did you not decide to come out in public on the case first?

[Oleksy] It did cross my mind, but I thought the whole issue was so absurd that, if I went public and they denied everything, I would look like a fool.

[POLITYKA] Then there was the famous late-night meeting with Lech Walesa....

[Oleksy] I know that Walesa had met with other politicians and showed them the several-page report Milczanowski and Bartoszewski had shown Kwasniewski. At the same time, the president-elect passed on the suggestion—which I call blackmail—that if I resign before Lech Walesa's term in office expires and disappear, there would be no case. This gives me grounds to believe that the declared concern for state security was sheer rhetoric, especially because I had made an offer to Milczanowski, just like the president-elect, that he remain minister. If he feared that the case would have been "hushed up," he could have stayed and kept watch on things personally. Instead, he decided to stage a show for the public at the Sejm, where he spilled details he was not kind enough to reveal at a session of the Council of Ministers that was deemed secret at his own initiative.

[POLITYKA] You responded to that Sejm address by speaking of a provocation staged by the secret services, surveillance of the prime minister, the money that had been spent to humiliate you. Did you speak on the basis of facts or presumptions?

[Oleksy] Both.

[POLITYKA] Yet [Interior] Minister Konieczny denied you had been surveilled.

[Oleksy] That is a UOP trick: They were surveilling not me, but Alganov... If so, I would like to ask: Why did the secret services, knowing that Alganov was a spy, fail to take any legal action? Just like in the case of Yakimishin, who was allowed to leave the country. Yet they took action against the prime minister. Why is it that no action is taken against agents who were identified years ago?

[POLITYKA] Is this the "loss of trust" you gave as the reason for your controversial decision to dismiss Deputy Interior Minister Jasik and replace him with your aide, Andrzej Anklewicz?

[Oleksy] Deputy Minister Jasik was responsible for the police, not UOP, and he took part on Minister Milczanowski's team for personal, not professional, reasons. I dismissed Jasik because I knew a serious offense had been committed and that official and disciplinary action had to be taken. I hired Anklewicz because such was the will of the new Interior Minister, Jerzy Konieczny. Please note that, if I am being charged with covering up the case, I have not introduced any changes within UOP, even though it was preparing material incriminating me. After all, Czempinski, Fonfara, Libera, Nozka, and Zacharski continue to work there.

[POLITYKA] Let us move on. Why did you hesitate about taking leave if, as you had declared, you did not intend to interfere with the case that was already in progress?

[Oleksy] I saw the requests for me to take leave as a demand for desertion, and I did not see any reason to do that. When I finally gave in and took leave, it turned out that those requests were designed not to guarantee that the case be handled with impartiality but to slander and attack me—even by the method of controlled leaks—without giving me any possibility of defending myself.

[POLITYKA] Who is controlling those leaks?

[Oleksy] I do not know what the mechanism is, but the scale is unprecedented and the political motives very clear. It is not the journalists who are at fault but the secret services and UOP. I have already said that the secret services require deep reform. Ever since the times of the Secret Service, they have been tempted to exert an influence on politics using the material they collect and operational means. Three prime ministers—Olszewski, Pawlak, and Oleksy—have already personally experienced how the secret services work.

[POLITYKA] Let us stop for a moment with the comparison of Pawlak with Oleksy. It has been exactly one year since Prime Minister Pawlak resigned.

[Oleksy] There was the InterAms affair, which erupted thanks to contacts between some of the media and the secret services and suddenly died out once the political goals were reached. Interestingly enough, Jasik and Zacharski were both InterAms employees, but that is something the probing journalists never explored. Let us leave the topic.

[POLITYKA] Excuse me, but the highest UOP officers were formerly employed by the Secret Service [SB] of the Polish People's Republic. Why are you suggesting they would turn against a prime minister from the Democratic Left Alliance [SLD]? On the contrary, they might be rather suspected of postcommunism. That is one of the charges that was brought against Zacharski when he was to become head of intelligence.

[Oleksy] Over the past few years, the secret services have been undeniably subordinated to the president. I was shrugged off by those services as prime minister myself, because, I presume, they were busy elsewhere. I remember how many files Mieczyslaw Wachowski showed me in his office, how he boasted of his power. Wachowski is a very interesting figure because of his formal and informal influence on the secret services. I wonder why the special Sejm commission has not yet interviewed Mieczyslaw Wachowski, although it did summon the press spokesman of Walesa's campaign staff. We do not know much about the inner life of the secret services, of the personal and financial ties on the international scale. We do not know what really happened when the SB was vetted in Poland and the secret services in the Soviet Union were falling apart. Who gave or sold what to whom? There is also some sort of geopolitical game, or at least attempts at taking advantage of the situation in such a game. There is also our boldness, which forces us to use all available tools that might be useful in a political battle.

[POLITYKA] You are questioning the impartiality of the secret services; meanwhile, the opposition and some members of the special Sejm commission are questioning the impartiality of two of your ministers who are most involved in the case: Jaskiernia and Konieczny.

[Oleksy] The charges against Jaskiernia are largely an echo of the election campaign, where any decision or lack thereof could have caused emotions to run high. I am surprised by the attacks on Konieczny: He is not my party colleague; in fact, I do not know him very well, but he is an outstanding expert in his field. If Minister Konieczny is attacked because he has his own views as a minister, then we are dealing with a political campaign. After all, should he be merely a messenger? At the same time, the members of the commission do not do anything when Mr. Krzaklewski threatens that street demonstrations will take place if the prosecutor's office issues a verdict he does not like and [Christian-National Union Chairman] Mr. Czarnecki, the chief television commentator, uses every opportunity to exert uninhibited pressure on the military prosecutors. Do you call that impartiality?

[POLITYKA] Inasmuch as there are accusations of a lack of impartiality on both sides and considering you want the charges leveled against you elucidated, would it not be better to call on the general public to pass a judgment, for example by revealing the materials that incriminate you?

[Oleksy] Naturally! I am for publishing everything that has to do with this case. I do not know what is in those materials. It is a risk because, if those materials are false, it will make me look bad. There is only one condition: that everything be published!

[POLITYKA] You keep on repeating that this case is a plot against you. Why?

[Oleksy] I see it as political revenge. Revenge for elections that were lost one more time, ruthless revenge presented as a mission to protect the raison d'etat and state security.

[POLITYKA] Was it inspired from abroad?

[Oleksy] I do not want to speculate. It is unquestionable, however, that the quality of our relations with Russia will have an influence on Poland's chances for integration with the EU and NATO. All of the politicians in the West emphasize this. In our country, naturally, it is considered inappropriate to talk about the need for good, friendly relations with Moscow because comparisons with Targowica [where the agreement stating that Poland was to be partitioned was signed] are immediately raised. Unfortunately, the "Oleksy case" will have—it already has—a negative influence on bilateral relations. Volumes are being spoken about Russia's interference with Polish internal affairs, about attempts at making Poland dependent, infiltration, and God knows what else. I am afraid we are repeating past mistakes and that, because of internal conflicts, squabbles, and resentment, Poland's state interests are being forgotten.

[POLITYKA] Mister Prime Minister, the charges that have been brought against you—and against the entire Social Democracy of the Polish Republic for that matter—are being formulated in the name of the Polish raison d'etat. How are we to develop partnership and friendly relations with Russia if Poland, possibly, is governed by KGB agents and the largest party in the country was established with money from Moscow?

[Oleksy] These theories are not new; I understand their historical origins. But will the left, stemming from the Polish United Workers Party, never have the right to be considered patriotic or be allowed to attempt the implementation of strategic state interests and lead Poland into the euro-atlantic structures only because of the past? Should the others have a monopoly for ages to come? I understand this is what it is all about. But there is one small thing: The nation, the voters think differently. If voters democratically choose a group to govern, then you cannot have a situation in which a small group of politicians will continue to claim that they have no right to represent Poland, that they should be forever suspected of double intentions. Why? Should the social democrats walk on the KGB's and Moscow's leash because of schizophrenia of sorts? We have just entered the sixth year of democracy in our country, and the primitive "Moscow agent theory" is being purposely revived and obstinately attributed to the left.

[POLITYKA] What if the PRL past still casts a shadow over the SLD politicians, if there remains something that could be used against them? Does that not pose a risk to our sovereignty?

[Oleksy] That is a very convenient theory because there is no way of verifying it. I suggest everyone be judged by deeds and facts—present and future.

[POLITYKA] You recently said in a televised debate on Polsat that the media are biased and are carrying out propaganda. Why?

[Oleksy] Because reporters and the media are often unable to refrain from expressing their political sympathies and do not pursue the truth but select facts and interpretations according to political scenarios and hastily present their assumptions as facts. Do you call that independence? The media, television included, present a rightist view of the world. They play on the division into black and white: the postcommunists and the patriotic camp.

[POLITYKA] You said that the "Oleksy case" is a political revenge.

[Oleksy] First of all, it has now become an attack on the entire Social Democratic camp. This was clearly the objective of the charges leveled against me. It was a fight staged with the entire ruling camp.

[POLITYKA] Before the prosecutor or the court passes a ruling, however, we know that charges confirmed by 200 pages of materials submitted to the prosecutor's office have been brought against you and that your credibility as prime minister has been questioned. Do you not think you should resign?

[Oleksy] The question is: How far should the fate of an individual be subordinated to political mechanisms? I am always prepared to subordinate my fate to a greater state cause, which does not imply I have to comply with the odd social norm that one loses social trust the moment he is spat upon.

It is remarkable that these norms apply exclusively to politicians of the left, regardless of what opinion polls say (more than 60 percent of those polled claim they do not want the prime minister to resign) or the reactions of the people I talk to. I would thus like to ask: Who is the public whose opinions reporters and politicians quote so often?

The sentence on Oleksy was passed as soon as the case surfaced. It was passed by the media, which, in fact, act not as the fourth power but as all the powers combined. Let us try to imagine what would happen if the prosecutor's office and the special Sejm commission came to the conclusion that the "Oleksy case" does not exist? There would be an uproar that the case was killed. If they announce that the case requires further investigation, there will be an uproar that Oleksy is guilty after all. Did any one of those who pass sentences so eagerly reflect for a second that perhaps the man is really innocent? What should he do? My personal feeling of having suffered injustice cannot hide the political consequences of the current situation from my view. For the time being, the government is functioning as usual.

[POLITYKA] Do you not think that for you as a politician it would be much better if the prosecutor's office decided to open investigative procedures?

[Oleksy] Yes, and that is why, even if the case is closed, it will not be the end of it. The case has to be explained, and I am most interested to see that it is. I will sue those who leveled those charges against me. Today I feel as if I had my back against the wall. My feeling of helplessness derives from the lack of a feeling of guilt.

[POLITYKA] Mr. Prime Minister, did you collaborate with the KGB?

[Oleksy] The very fact that you are asking me this question insults me. Over my many years in public service, I have never betrayed or harmed Poland!

Poland: Daily: KGB Tried To Rebuild Soviet Empire

WS0602111396 Warsaw SZTANDAR in Polish 19-21 Jan 96 pp 1, 5

[Article by Rafal Brzeski in London: "Empire Comes Back; Poland—Target Number-One for the KGB; The Kremlin Continually Aims at Conquering Europe and the United States From Inside"]

[FBIS Translated Text] The work of Olin and the other agents connected with the Oleksy case was not mere espionage but also a fragment of strategy aimed at reconstructing the Moscow empire, maintain former KGB officers stationed in the West.

The documents published by the WPROST weekly are "absolutely authentic," judged a former KGB resident in London, Oleg Gordiyevskiy. In the 1990's, the Polish intelligence service could have gained "two or three" of their own sources at KGB Headquarters. "People started to think about the future, the Soviet Union had crumbled, the system had stopped functioning, and the Polish intelligence service paid as well as its Western counterparts, and, what is more, it was easier to communicate with. Old contacts and mutual connections remained."

Part of the information gained by the Office of State Protection [UOP] may have come as a result of information exchanges with Western special services. Even a good source of information in the 11th (East European) Department of the First KGB General Directorate does not constitute such a big value for Western intelligence services as it does for Poland. That is why the obtained material is willingly exchanged for services performed by Polish intelligence or for information.

With secret exchanges of information between intelligence services, it often happens that, to camouflage the real sources, the purchasing party presents the information it has obtained as coming from its own agents.

The importance of the materials delivered by Olin probably made him, in the estimation of KGB Headquarters, the highest category of "valuable agent." He was led by officers from "the PR"—that is, the political reconnaissance group of the Polish section in the 11th Directorate, the one that supervised the work of KGB liaison officers acting within the Soviet bloc when the Warsaw Pact was still in existence. In the Polish People's Republic [PRL] there were posts of lialison officers in every voivodship. The offices were frequently visited by provincial dignitaries from the Polish United Workers Party [PZPR] who strove to be in favor with comrades of the KGB. Currently, the 11th Directorate is carrying out political espionage in the "countries of the near abroad."

Information passed by "valuable agents" received special protection. The files of Olin, Minim, Kat, and the others who formed that network were probably kept in one of the two safes in the room of the Polish section. Access to them was restricted to a small group of people. In the First KGB General Directorate headquarters, in Yaseniev, a suburb of Moscow, the group included no more than 20 persons.

"In the Polish section, theoretically, only the officer responsible for the reports from Olin should have access to his file, but three officers work in this room, and people are people and they talk," says Oleg Gordiyevskiy. Apart from that, Olin's materials were approached by two or three analysts, two translators, the deputy head and the head of the 11th Directorate, the head of the First General Directorate and only one of his deputies responsible for East Europe, plus the head and deputy head of the KGB. The materials could have also been seen by the cipher specialist and the radio operator who received them from Warsaw.

Theoretically, no one should know about the existence of highly placed KGB "sources" in neighboring countries, but the headquarters in Yaseniev are full of gossips. "People walk out of the rooms for a cigarette and brag about their achievements, and the canteen on the first floor of the main building is a real market for news." This is fairly general news, though, and only a "source" in an appropriate section or in the analysis department could have disclosed the list of intelligence materials flowing from Warsaw that had been leaked to UOP.

The assurances coming from Moscow that the KGB residents did not recruit agents in Poland are ridiculously naive.

After the elections of June 1989, when it was obvious that the end of the PRL had arrived, the KGB ban on recruitment of formal agents in our country was lifted. The headquarters in Yaseniev and the Warsaw residence started to race with one other, creating an agent network. The obvious candidates were PZPR activists.

"Time was pressing. Fast recruitment allowed for profiting from the shock that came after the defeat [of the party], as well as from the existing sympathies and contacts. Given some time, members of the PZPR could have shaken that off and become less receptive to the promises of help. That was normal, professional reasoning by the KGB." In a country that had ceased to be an ally and was getting potentially unfriendly, it was necessary to have a well-developed and appropriately established agent network—this especially regarding a country of strategic and geopolitical importance such as Poland.

In Gordiyevskiy's view, for the KGB Poland is "target number-one," where the existing network of agents and sympathizers should be used for the expansion and strengthening of the weakened Russian influences.

Reconstruction of the empire was foreseen by Minister of Defense Pavel Grachev, who, in 1993, at the meeting in the Royal Institute of Joint Types of Troops [Krolewski Instytutut Polaczonych Rodzajow Wojsk] in London, gave assurances that "Moscow is going to return to its proper position in the world because of the assets it has left behind." The network of Olin, Minim, and Kat and the two remaining agents constituted such political and espionage assets of the Kremlin.

Judging the activities of Russian special services in Poland, the former KGB General Oleg Kalugin expressed an assurance that the Kremlin has only temporarily "forgotten" about Poland, caring in the first place about arranging its relations with the West. "We knew that Poland was the least reliable link in the Warsaw Pact, and, if the link were broken, the other countries would fall like dominoes"—then the one who holds Poland in his hand controls Central Europe. The view is still shared in Moscow, where "there is no more threat of a return to communism" but where "an authoritarian system is creeping in."

For Anatoliy Golitsyn, a KGB officer with 16 years of experience who has come to the side of the Americans, "the seemingly broken Soviet empire can be restored at any time" due to the fact that people from the old system are now established in the new structures of the fresh East European democracies. The whole perestroyka is, in Golitsyn's view, "a method to capture the political awareness of the West" in the Kremlin's endless striving to achieve its main strategic aim, which is "a peaceful conquering of the United States and Western Europe led from within."

Poland: Cimoszewicz on Package 200, Moscow Loan

WS0602093596 Warsaw GAZETA WYBORCZA in Polish 5 Feb 96 p 3

[Report by Maciej Cholodowski in Bialystok: "Prime Minister Cimoszewicz for Radio 'Bialystok'; on Kolodko and the Moscow Money"]

[FBIS Translated Text] "The Package 2000 project prepared by Finance Minister Grzegorz Kolodko was not discussed by the coalition leaders and is Minister Kolodko's 'personal' project," said Cimoszewicz yesterday on Radio "Bialystok." The prime minister added: "With due respect for the spectacular effects the project provides for, it raises many questions and contains suggestions I am prepared to debate."

Regarding the loan the Polish United Workers Party [PZPR] took from the CPSU in 1989, the new prime minister said: "Already a few years ago, I stated that by taking that loan [former Prime Minister and PZPR Chairman] Mieczyslaw Rakowski did the worst thing he could to those who stayed in the PZPR until the very end. There was no evidence that the money was used to finance the founding congress of the Social Democracy of the Polish Republic. Unless this is proved, I hope that those who leveled the charges will show enough of a sense of humor to apologize and retract the charges."

Poland: Appeal Filed To Allow Dissolution of SdRP

WS0602093696 Warsaw ZYCIE WARSZAWY in Polish 2 Feb 96 p 3

[Article by Roman Daszczynski in Gdansk: "The Trustee in Bankruptcy of the PZPR Want To Dissolve the SdRP for Debts"]

[FBIS Translated Text] Marek Biernacki, the Gdansk proxy of the trustee in bankruptcy of the assets of the former Polish United Workers Party [PZPR], filed an appeal with the Voivodship Court in Warsaw for amending the statute of the Social Democracy of the Polish Republic [SdRP] to allow the dissolution of the party. The trustee could then collect billions of old zlotys [Z] in debt from the successor of the PZPR.

In the Gdansk voivodship alone, the SdRP owes the State Treasury Z2.5 billion [old zloty]; on a national scale, its liabilities are several times larger. "I find it difficult to approximate what amount we are talking about. Reports keep coming in; I will know everything in two months," Ryszard Tomalak, the trustee in bankruptcy of the former PZPR, told ZYCIE WARSZAWY.

Nearly all of these reports are on the assets taken over by the SdRP from the PZPR, which, according to law, is the property of the State Treasury. In Gdansk, the SdRP lost a series of trials as a result of which the party has to pay Z2.5 billion [old] together with interest. The SdRP leaders claim, however, that the party does not have enough money to pay that sum. Even the intervention of a court executive officer did not give any results.

"I have proof that the problem is not a lack of money, but a disrespect of responsibility before the State Treasury," says Marek Biernacki.

The law on political parties states that the Voivodship Court in Warsaw may request the Constitutional Tribunal to state whether the activities of a given party comply with provisions of the constitution. The tribunal may recommend that "a necessary amendment to the party statute be introduced within a specified period of time so as to allow the dissolution of the indebted party."

Poland: Possibility of Leasing F-16 Planes

WS0602092296 Warsaw RZECZPOSPOLITA in Polish 3-4 Feb 96 p 2

[Article by Maria Wagrowska and Z.L.: "Will Poland Lease F-16 Planes?"]

[FBIS Translated Text] *It cannot be ruled out that the Polish Armed Forces will lease F-16 A or F-16 B planes from the United States for a few years. We would lease several planes of the old type. Despite that, they would improve the situation of the Air Force of our country and would offer an opportunity to train pilots. Later on we might buy more modernized aircraft.*

As RZECZPOSPOLITA found out from reliable sources, such an offer was presented to the Ministry of National Defense [MON] by General Thomas Rhame, director of the Defense Security Assistance Agency (DSAA) in the Pentagon. He was was in Warsaw on 9 January of this year, but his visit was shrouded in secrecy. This was because, as our informer told us, consultations on leasing the F-16 planes to Poland are still in the preliminary stage. The fact that the United States has offered to lease us its aircraft proves that this country's previous tactics have changed. Our interlocutor termed the U.S. offer "encouraging" and even "enticing."

Poland would buy the U.S. fighter planes rather than the Swedish (Gripen), French (Mirage), or Russian (MiG), due to both the possibilities of using those planes (F-16's are multifunction aircraft, which is exactly what we need) and the financial side of the transaction. After three years of futile talks on the possible sale of F-16 planes to Poland, the Czech Republic, and Hungary, the Americans probably decided that leasing might help persuade the Central European countries to buy their planes rather than others. As military people say, in the United States there are reportedly 140 "conserved" F-16's that can be disposed of without detriment to the country's combat capabilities.

The leasing of one nonmodernized F-16 plane—either the A or the B version—would cost between $4 and $5 million (the modernization cost ranges from $6 to $8 million). However, as we learned from a representative of MON, a "naked" MiG—that is, a plane without armament and basic spare parts—would probably cost $18 million. According to our interlocutor, the leasing costs might be covered by the sum of $25 million that Poland is to receive from the United States for, among other things, the purchase of modern armament. In line with the most recent official statements by former Defense Minister Zbigniew Wojciech Okonski, in the beginning Poland would need a squadron of 24 or 25 fighter planes and, by the year 2010, we would need at least 100 planes.

MON's Office of Press and Information confirmed on Friday that on 9 January Poland hosted a Pentagon representative who offered to lease the multifunction F-16 planes to the Polish Armed Forces. According to Deputy Defense Minister Tadeusz Grabowski, who is the new head of the economic section at MON, the Armed Forces find it necessary to replace the worn-out and outdated fighter planes with new multifunction aircraft. Grabowski does not think Poland will be able to afford expensive aircraft without any aid. Thus, we are hoping to get favorable offers. An important component of those offers should be the provision of external help, and our American partner is practically the only one that is offering such possibilities. Grabowski, with whom we spoke back in January, was cautious in assessing the chances of equipping the Polish Air Force with new aircraft. "A period of, at best, five years should be considered to be the most realistic prospect."

Poland: Walesa Institute Foundation Registered

WS0602093496 Warsaw ZYCIE WARSZAWY in Polish 5 Feb 96 p 1

[Article by "PJW": "Political Scene; New People at Lech Walesa's Institute"]

[FBIS Translated Text] The Foundation of the Lech Walesa Institute was registered at the Warsaw District Court on 2 February. The only founder is the former president. The foundation is to be a nonprofit organization and does not intend to function as a political party.

Lech Walesa established it several days after having lost the presidential elections.

The supervisory board of the foundation, apart from [former legal aide] Chairman Stanislaw Iwanicki, includes other former ministers: [former economic aide] Andrzej Kozakiewicz, [former Interior Minister] Andrzej Milczanowski, [former Defense Minister] Zbigniew Okonski, [former head of Office of Presidential Political Services] Andrzej Zakrzewski, [former head of the Presidential Chancellery] Janusz Ziolkowskim, and the head of the Warsaw notaries, Zbigniew Klejment.

As we learned from unofficial sources, the management board of the foundation is to be enlarged in the near future. ZYCIE WARSZAWY sources maintain that it is to include Colonel Konstanty Miodowicz, former head of counterintelligence at the Office of State Protection; Pawel Moczydlowski, former head of the prison system; and two other former colleagues of Walesa's—Andrzej Ananicz and Andrzej Kojder.

Romania: Foreign Ministry Speeches Appear on Internet

AU0602074996 Bucharest EVENIMENTUL ZILEI in Romanian 1 Feb 96 p 12

[Article by Irina Zidaru: "The Internet Subscribers Will Have Access to the Speeches of the Romanian Foreign Affairs Minister"]

[FBIS Translated Text] Beginning this week, the pieces of information presented during the weekly news conferences of the MAE [Romanian Foreign Affairs Ministry], as well as the speeches delivered by the foreign affairs minister, will be available on the Internet network. The Internet subscribers will have access to English-language translations of the pieces of information offered by the MAE to journalists. The first speech to be distributed via the Internet will be the one given yesterday by Teodor Melescanu [foreign affairs minister] at the Konrad Adenauer Foundation headquarters [in Germany].

Romania: Weekly Sees PDSR Moving Toward Right

AU0602125096 Bucharest EXPRES MAGAZIN in Romanian No 4, 30 Jan-6 Feb 96 p 24

[Editorial by Ion Cristoiu: "A Look at Our Political Scene"]

[FBIS Translated Excerpt] Radio Free Europe has recently organized a "Face to Face" roundtable on present Romanian political life. Along with Silviu Brucan [political scientist, journalist, former prominent member of the National Salvation Front] and Bogdan Teodorescu, I was also invited to speak my mind during the hour-long discussion. [passage omitted] Here are some of the views I expounded at that meeting in answer to the questions of the moderator, Nestor Rates, or the remarks of the other participants in the meeting.

There was a lot of talk about the configuration of power after the upcoming elections this year, with Silviu Brucan reiterating his idea about the need for a center-right government. Unlike similar other instances in the past, he emphasized that there are good chances for this need to become reality. Joining the discussion, I agreed with Silviu Brucan's opinion and emphasized that we will have a center-right government regardless of who wins the elections, the Democratic Convention of Romania [CDR] or the Social Democracy Party of Romania [PDSR]. In my opinion, judging by the structure of the present ruling team, the PDSR has recently moved to the right. There is a big difference between the party which obtained a relative majority in Parliament in 1992 and the present PDSR, which has gradually moved to the right during its time in government. There is hardly anything left of its leftist ideals, which were demagogically ventilated in the summer of 1992 against the electoral background at that time. This process of change had two main causes. First comes the PDSR's pragmatic adjustment to the domestic and international circumstances of recent years. Anticipating the behavior of the former communists currently in power, the PDSR had no other alternative but to implement reform, even though, in quite a few cases, that process only took the aspect of reform. A contribution to all that was also made by domestic reality, which was defined by what Ion Iliescu named the impossibility of returning to a centralized system, as well as by foreign circumstances. To survive, the Vacaroiu government had to beg the IMF for credits. But that vain international banker would only release the money if certain obligations were fulfilled, all of which led to further implementation of reform. Even though, seen from this angle, it was not the PDSR but the IMF that ruled in Bucharest for the past four years, Ion Iliescu has come to gradually identify himself with the reforming group. [passage omitted] Willy, nilly, the PDSR saw itself obliged to move to the right. That is why, whether the PDSR or the CDR wins the upcoming elections, the next government will be a center-right one. A further argument in favor of this assessment is the fact that, if we place the PDSR in the center, one can say that there is an absolute void to the left. The parties to the left of the PDSR are admittedly incapable of asserting themselves as a governing alternative. None of them has a coherent political and economic program. The ambiguity of the Romanian National Unity Party [PUNR] is enhanced by its participation in the government. It is almost impossible to say whether Gheorghe Funar's [PUNR president] party is in power or in opposition. Aside from the routine activity of the PUNR ministers, the only sign of the party's existence is given by the intensive letter-writing activity of Gheorghe Funar and Ioan Gavra [PUNR vice president]. Another party in an ambiguous situation is the Socialist Party of Labor [PSM]. Ilie Verdet's [PSM president] party realizes that to have any chances in the next elections it must make a radical break with the PDSR. If it manages to place itself on its own foundation, this party might unleash a virulent campaign against the six years of Iliescu's regime. Unfortunately, this party's base does not differ much from that of the PDSR in 1992. Consequently, the PSM leaders find it very hard to proceed to a spectacular divorce, like the one by the Greater Romania Party [PRM]. [passage omitted] Of all the PDSR's former allies, only the PRM has managed to become self-standing. The only trouble is that, left alone, Corneliu Vadim Tudor's party has immediately exposed its weakness in matters of means and goals. So far, it remains a mere party magazine. With such a party, you may win over a few readers, but not voters. [passage omitted] Although the parties to the PDSR's left think they play in today's Romania the role that the former communist parties are playing in the neighboring countries, I do not think they will emerge victorious in the next elections. Despite the PDSR's diversion aimed at exaggerating the dangers coming from the left, the PDSR has nothing to fear from the winds blowing from that direction of the political landscape. Regarding a possible alliance between the PDSR and the PRM, PSM, and PUNR—if the latter were to cross the electoral threshold—I do not think that it will come to pass. Adrian Nastase's PDSR has already felt the unpleasant experience of an alliance with these parties on its own skin. If it wins next fall's elections, the PDSR will definitely avoid fraternizing with the devil. Therefore, the PDSR will probably turn itself to the parties to its right. In these circumstances, we will have a center-right government.

During the program we talked about the upcoming presidential elections as well. Silviu Brucan reiterated that President Ion Iliescu will win the elections. The reason he gave was the one invoked by everybody, namely, that the current president has no proper counter candidate to stand up to him. Proceeding from this assumption, moderator Nestor Rates asked me how I see the coexistence between the future president and the future Parliament. I told him that the problem will only arise if President Iliescu wins the elections. From a constitutional viewpoint, the presidential prerogatives are limited as far as moving the country into one or another direction is concerned. The importance that Ion Iliescu had and still has for our political life does not reside in the provisions of the Constitution, but rather in Ion Iliescu's personality, and not even so much in his personality, as in the symbolism he represents. [passage omitted] Adept at staying put and letting things take their natural course, Ion Iliescu has not influenced the country's political and economic life through his specific acts. His influence was merely symbolic. Even in December 1989, his neocommunist statements let the bureaucracy hope that nothing much will change in Romania. However, with the passage of time, Ion Iliescu has tempered a bit his communist vision of the world. Silviu Brucan noted that the president has meanwhile visited NATO headquarters and the White House. But the change in his outlook of the world has not brought about a change in Ion Iliescu's personality. The president remains volatile. Had he been a true statesman, the changes in his outlook of the world would have turned into energetic political acts. However, preferring his previous ambiguity, Iliescu continued to remain passive. Consequently, the bureaucracy continued to see in him hope for the stagnation of all structures. It is obvious that another president will no longer play the role currently played by Ion Iliescu. No bureaucracy or statement will be enough for another president to impose his viewpoint on the country's social, political, and economic life. If Ion Iliescu does not emerge victorious, the next tenant at Cotroceni Palace will mainly be a protocol president. The true power will be in the hands of the parliamentary majority. Consequently, the problem of coexistence between the president and Parliament will not arise if Ion Iliescu does not win the elections. Therefore, I believe that the main issue of the future campaign for the presidential election will not be who is going to be elected, but rather to prevent Ion Iliescu from continuing his sojourn at Cotroceni. If a new tenant can be found for Cotroceni Palace, then the political life in Romania will return to normal, that is to the Constitution.

Romania: Over 160,000 Miners on 24-Hour Strike

AU0602122896 Bucharest Radio Romania Network in Romanian 1100 GMT 6 Feb 96

[FBIS Translated Text] The mining federations and trade unions affiliated with the National Confederation of Mining Trade Unions of Romania started a 24-hour strike today.

Federations and trade unions in the Baia Mare Lead and Zinc Autonomous Public Corporations, the Oltenia Lignite Autonomous Public Corporation, the trade unions of Deva Copper Autonomous Public Corporation, the Ploiesti Coal Corporation, and Bucharest Rare and Radio Active Metal Autonomous Public Corporation answered the call to strike.

The trade unions of Cominex Cluj-Napoca, Dobromin Dobrogea, those of geology and connected activities are also on strike.

A communique received from the National Confederation of Mining Trade Unions of Romania states that over 160,000 employees are on strike and that it is a social conflict, it has no political character, and it will develop according to the program until all demands are completely met.

According to our correspondent Dorin Corpa, the extraction units as well as the ore processing units of Deva Copper Autonomous Public Corporation represent 50 percent of its activity. The leader of the Solidarity '92 League, Nicolae Ciocan, told our correspondent that if the government does not meet the trade union's demands, the miners are determined to start a general strike next week for an unlimited time.

Likewise, our correspondent Adrian Marchis informs us that Ioan Birtas, leader of the Mining Trade Unions of Northern Romania NORDMIN, said that only two mining units, Suior and Baia Sprie, are working. On the other hand, the director of the management of the Iuliu Chioran Corporation says that only seven subunits out of the 28 have joined the strike.

Slovenia: FM Thaler Consults Christian Democrats

AU0502183196 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 5 Feb 96

[FBIS Translated Excerpt] At a news conference today, Foreign Minister Zoran Thaler reiterated that our country's priority task is integration into the European Union and adjustment of our property legislation to the European norms. The appropriate parliamentary committee will debate these changes to the legislation the day after tomorrow and the State Chamber, as it is envisaged, will do so this month.

Of course, the foreign minister could not avoid having to respond to the criticism leveled in the request for an interpellation in his work. Nadja Pengov reports:

[Begin recording] [Pengov] In accordance with the procedure, Minister Thaler will speak about the details of the interpellation request in parliament. He believes it is bad that this otherwise important parliamentary mechanism is being overused in the country. What is even more wrong, according to him, is that completely foreign affairs matters are being exploited for interparty squabbles. As for some individual accusations in the interpellation, he said:

[Thaler] Slovenia on no account rebuffed the Spanish initiative brutally.

[Pengov] We negotiated a compromise, the minister said, and the consequence of this was that, ultimately, the formulation about the need for an agreement between Rome and Ljubljana as a precondition for Slovenia's membership in the Union was left out of it. [passage omitted]

[Thaler] There is no interpellation or any other similar pressure that would compel me, as the foreign minister, to sign an international agreement that would be dangerous or potentially dangerous for the Slovene national interests.

[Pengov] As Thaler says, they have strengthened a dialogue with the Slovene Christian Democrats in the realm of foreign policy, too. The goal of this is the most coordinated possible action. [end recording]

Slovenia: PM Assails Attempts To Incite Strikes

AU0502172796 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 5 Jan 96

[Report by Sandi Frelih on news conference by Slovene Prime Minister Dr. Janez Drnovsek in Ljubljana on 5 February—recorded]

[FBIS Translated Text] [Frelih] Salaries increased by 4.5 percent last year and pensions increased by 7 percent. This was not the case anywhere else in the world. No country and no pension system can sustain such a situation, Prime Minister Drnovsek emphasized when he spoke about political demagogy. A party that was, until recently, in the government, he continued, opposed changes to the pension system, arguing that we should wait until the elections and carry out radical interventions afterward. The pensioners' protests at present are headed by those with the highest pensions.

[Drnovsek] I hope that in the confrontations to come over the next few days those who are now trying to agitate pensioners with this type of demagogy in Slovenia will sober up and realize that certain tasks must be carried out responsibly.

[Frelih] The situation is similar regarding TAM [Car and Motor Factory Maribor]:

[Drnovsek] It is evident that some are inciting people to strike—from the attempts that we have witnessed in TAM over the past few days and in Litostroj last week—and more such strikes have been announced. It was evident in the case of TAM that these same people wanted to prolong the political crisis that emerged with the departure of the United List from the coalition by bringing down the system.

[Frelih] The prime minister is of the opinion that TAM should be given an opportunity to get to its feet. The launch of the notorious Security-Intelligence Agency papers falls in the realm of political intrigues. Confronted with the allegedly controversial defense purchases, he said he requested an audit last week already. The prime minister will take steps if need be. By this, he rebuffed rumors that he was contemplating replacing Justice Minister [Meta Zupancic]. Drnovsek expects Zupancic to be more vocal in face of irregularities at a time when the government is championing greater effectiveness of jurisdiction. The prime minister also rejected the interpellation into the work of Foreign Minister Zoran Thaler, on the grounds that this is the opposition's attempt to create a split within the coalition and create political instability.

[Drnovsek] It is easy to attack the government, exploit a problem of wider and international dimensions, and introduce additional divisions on our domestic political scene. Those who are doing this are not the least interested in whether this is harming the position of the Slovene authorities at the international level.

Slovenia: Weekly Analyzes United List Departure

AU0602075396 Ljubljana MLADINA in Slovene 30 Jan 96 p 13

[Commentary by Bernard Nezmah: "Symbols More Powerful Than Reality"]

[FBIS Translated Excerpt] When Prime Minister Drnovsek replaced Minister Jozica Puhar with Mrs. Rina Klinar more than a year ago, the United List did not scurry into the opposition. And the accusations against Puhar were not nearly as grave as those against Maks Tajnikar. Therefore, the former [communist] party merely sought an excuse for leaving the coalition. What is a little glaring here is the fact that it did not leave the coalition when the parliament passed the new pensions law. Its sympathies for the financial situation of the pensioners would have soared to even greater heights. The delay until the time after Drnovsek's replacement of Tajnikar was evidently needed to outmaneuver the perfidious Liberal Democrats [LDS]. Had the ZLSD [United List of Social Democrats] supported the LDS proposal, Drnovsek would not have replaced the ZLSD minister. At least, that is what the cow deal appears to be.

The United List has, thus, walked out as the champion of the pensioners' interests, leaving behind the impression of behind-the-scenes bargaining by the LDS.

Hence the smile on the face of the chief of the party that was leaving the coalition. Those who are departing usually do so with a grim face; ultimately, even the Slovene Communists, when they left the congress of the Alliance of the Communists of Yugoslavia in the morning six years ago, did so with sadness and tears in their eyes.

The departure from the coalition, of course, only means the pursuit of the electoral strategy. Namely, the ZLSD council met a couple of days before the fateful decision at which Dr. Niko Tos briefed the members of the council about the findings of the Slovene public opinion research project. What is indicative here is that the head of a scientific project at the Faculty of Social Sciences is reporting in detail about the findings of his research project to only one of the parliamentary parities. Truly discrediting for this Pan-Slovene project! [passage omitted]

Slovenia: Pensions Law Passed for Second Time

AU0202173396 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 2 Feb 96

[Report by Bogdana Dobersek on the extraordinary session of the State Chamber in Ljubljana on 2 February—recorded]

[FBIS Translated Excerpt] [Dobersek] Although at the beginning of the session Zare Pregelj proposed that the agenda be expanded with a repeated vote on the 1996 budget, State Chamber Speaker Jozef Skoljc dismissed his proposal as groundless. Afterward, Dr. Ivan Kristan, the speaker of the State Council, advised the deputies to reject the law:

[Kristan] We believe that when voting on the veto, consideration should be paid to the assessment of the State Council, contained in the last paragraph of our explanation; namely, that the law should be rejected because the controversial changes could create social conflicts that would in their dimensions and far-reaching consequences exceed the envisaged financial savings, which could be achieved with the appropriate government measures, above all, a more timely collection of taxes and some minor interventions in the gray economy.

[Dobersek] As there was practically no debate, 72 deputies then took a vote and by 52 votes to 24 passed the law again. [figures as heard] [passage omitted]

Slovenia: Business Views on Foreign Investment Studied

AU0202104896 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 1 Feb 96

[FBIS Translated Text] Research on foreign investments in Slovenia conducted by Gral-Marketing, which entailed 114 companies without foreign capital and 56 mixed companies, produced some interesting results. Sonja Znidarsic reports:

[Begin recording] Slovene businessmen find investments that involve a 100 percent share of foreign capital to be the least suitable and joined investments with a majority domestic share to be the most suitable.

In general, managers have a positive attitude toward everything that foreign investments bring. They believe that it is easier to reach foreign markets with their help, that they have a positive impact on work habits and also on quality, and that the foreign capital primarily helps to improve technology and increase employment.

As Matej Kovac, director of the Bureau for Foreign Investments, says, the research also showed that a good may managers fear foreign investments in a way because they allegedly weaken their strength and position. They also fear for the loss of national identity.

To disperse any fog in the attitude toward foreign investments and prejudices that stem from ignorance, the bureau will, over the next few months, draw a list of possible localities for foreign investments. Next week, the bureau will forward to all mayors a questionnaire on possible localities for new investments and also the types of incentives that would be offered to the investors. The goal of all the activities is to increase new, foreign, so-called green-field investments in our economy, which only noted $125 million in foreign investments in the last nine months of last year. [end recording]

Slovenia: Defense Industry Faces Problems

96BA0024A Ljubljana MAG in Slovene 20 Sep 95 pp 30-33

[Article by Spela Predan: "Gunpowder Without Taste"]

[FBIS Translated Text] *Defense production in Slovenia has died because there are no customers for it and because the Defense Ministry would rather buy abroad the same products we produce at home.*

Historical Recollection

The beginnings of Slovene defense production or specialized production for the Armed Forces go far back to the Austro-Hungarian monarchy, when the production of black gunpowder began in Kamnik. Between the two wars a rifle factory appeared in Upper Carniola, but it could only produce hunting weapons. After World War II, defense production really flourished in socialist Yugoslavia. The defense forces of the new state were mostly armed with Russian weapons, which limited its autonomy. There were also difficulties with deliveries, especially of more modern weapons, spare parts, and ammunition. After the Informburo, all relations were severed. What was then a still somewhat underdeveloped industry had to produce the most urgent spare parts for Russian weapons and, soon afterwards, also some types of combat equipment and ammunition.

At that time the country's planned economy guided and controlled that sector of production in a strictly centralized manner. A planned distribution of programs was introduced (only components were manufactured in the republics, and the final products appeared only in Serbia or in the Serbian parts of the other republics, and consequently individual republics were blocked from development, production, and insight into the manufacture of the final product), which was in effect until that state ceased to exist. The Republic of Slovenia thus did not receive a single final usable combat weapon or ammunition or modern explosives.

Before Independence

In spite of the above-mentioned limitations, Slovene defense production developed beautifully as a very-high-quality component of overall Yugoslav defense production.

During the years when defense production was at its height, we Slovenes earned $200-300 million a year from it. Six Slovene enterprises, four research institutes, and several engineering enterprises were involved. The number of employees was highest in 1987, when 6,100 workers were involved in the military program in Slovenia.

Most of the research for the Yugoslav Army was conducted by the Zoran Rant Institute in Skofja Loka, and Ljubljana's Jozef Stefan Institute and the Institute for Electronics and Vacuum Technology. In the field of microelectronics, the School of Electrical Technology and Computer Science also cooperated with the JNA [Yugoslav People's Army].

The Ravne and Jesenice Ironworks, Store with its casts through TAM [Automobile and Engine Factory], and the factories within the former Iskra (Elektrooptika—today Fotona—Elektroveze, Tela, Elektromotorji, Avtoelektrika, Energetika, Antene, and Inzeniring) participated directly in defense production. The Jesenice Ironworks developed and put into production an entire selection of tank plating, and supplied all Yugoslav producers of armored combat vehicles with these materials.

At that time, the Ministry of Industry and Construction conducted coordination, and relations with customers and the joint investor JNA on behalf of the Slovene defense industry, in cooperation with the Defense Ministry. It stayed that way until disassociation, when the job, upon the emergence of the Ministry of Economic Activities, was transferred to the Industrial Projects Department, with the following main tasks: rehabilitation of the balance sheet, debt collection, and preparation of specific materials for succession negotiations on the legacy.

After Independence

After the country's collapse, the situation in the defense sector of Slovene industry changed substantially. The links in the production chain collapsed. Some of the former state's republics had sufficient reserves of weapons and spare parts for several years and therefore no longer needed Slovene components. In short, the Slovene defense industry suddenly no longer had customers for its products and therefore began to collapse. The newly emerging Slovene Army needed different products, especially end-user products, which the industry did not even know how to offer because it was not equipped for that kind of production. Today there are more than 50 enterprises in Slovenia which could immediately start working as part of defense production in cells. In May 1994 the Slovene Government adopted a defense production concept, but it did not go into effect in most cases. The repair part of production is still being kept forcibly alive.

"With defense projects the big problem is ammunition. The service lives of the old inherited ammunition are expiring because they contain nitrocellulose gunpowder, which is mixed with nitroglycerin, and that ages as the years go by and is no longer as effective," asserts Anton Lah, undersecretary in the Ministry of Economic Activities.

Armored Vehicles

We inherited a fairly large number of tracked and wheeled vehicles from the JNA. The Defense Ministry divides them into three categories: those that are in operational use and in good condition, those that are under repair, and those that are in general repair. Between repair and general repair there is also the subset of armored vehicles on which members of the Slovene Army are trained. "Those are the ones we hear are breaking down. We train soldiers on the worse tanks, but do not expect us to train them on the ones that are better equipped. If we want to train a soldier, then we have to prepare him for the worst, which means that we give him a tank that we expect to break down. Then we ask the students to cope and repair it," the Defense Ministry says. The armor of these tracked vehicles has old, one-part cast turrets (the new, third generation of armor used by our vehicles in good condition is composite, and consequently more difficult to penetrate), and in particular the new generation of tracked vehicles has electronics that use infrared detection or laser guidance to ensure the greatest accuracy of fire.

"Slovenia has that production. Our producers have offered the Defense Ministry new electronics to replace the old electronics and sell it to customers in the south. To this very day, however, producers have not received any orders for new-generation laser aiming devices," said Anton Lah, undersecretary at the Ministry of Economic Activities, which actively cooperates with the Defense Ministry in the field of defense production. Slovenia has prepared a plan for a "retrofit of the T-55 tank," which means revitalizing the tank, which would receive a heavier engine, a better gun barrel, new aiming devices (a more modern caliber of cannon, automatic fire), a better undercarriage, and so-called active armor installed (additional ammunition, which explodes in case of a hit and thus weakens it, is attached to the tank).

The Ministry of Economic Activities was firmly opposed to TAM's contact with Steyr-Puch for the licensed production of the armored six-wheel Pandur because it was aware of the difficulties in that vehicle's sale. Consequently, later on, when Steyr was signing exactly the same contract with the Slovene Ironworks, they were excluded from the negotiating group.

Steyr and the Ironworks

"In order to straighten out the situation that occurred after independence, the Slovene Ironworks in 1993 signed a contract for cooperation with an Austrian partner, Steyr-Daimler-Puch. The contract applied to the licensed production of a three-axle 6 x 6 armored wheeled vehicle called the Pandur. The Ironworks essentially took over the contract for TAM, which had signed the same contract a few months earlier with the same partner. Since TAM's managers were aware of the difficulties in selling the vehicles, they set a condition for Steyr, according to which they would pay a lump-sum license fee as soon as Steyr guaranteed the sale of at least 600 vehicles (with that number, they could cover the expenses of development and of adapting their production)," Anton Lah said.

China Took Care of Peterle

Steyr and TAM agreed that the original vehicle would be improved with a TAM engine, which would give it excellent field capabilities. At that time, TAM did not have state support that would guarantee the payment of the licensing fee, in the amount of 35 million Austrian schillings, as provided by the contract, even though the Austrian partner had already guaranteed the market and the sale of 600 Pandur vehicles with an improved engine to a certain Far Eastern country. Since our leadership thought the vehicles were important for our country anyway, and for cooperation with others, they agreed to the new contract with the Slovene Ironworks, which immediately paid the licensing fee. Then a foreign policy difficulty occurred. Lojze Peterle agreed with that contract while he was still prime minister, but later on when he became foreign minister he blocked the export because he thought it would lead to a foreign policy dispute with China.

Meanwhile, TAM and the Slovene Ironworks also quarreled, and TAM ceased delivery of its engines. Steyr is still waiting today for us Slovenes to master certain parts of the technology needed for the manufacture of the vehicle, and for the quarreling factories to come to an agreement. The Far Eastern country is also still waiting for its 600 Pandurs (with TAM's improved engine).

The Ministry of Economic Activities also opposed the Sneznik Grosuplje project and the series production of a Slovene assault rifle.

Collapse of the Rifle Project

"At that time, the Defense Ministry wanted our ministry to cofinance part of that project in the amount of about 5 million German marks. At my proposal, however, that did not go into the budget. We decided the matter would end differently. The Sneznik project could not have operated economically and could not have had the kind of market in which the production capacity could have been matched by sales. There was consequently no economic justification, and I substantiated that with the government. At that time we were very harshly criticized. The government did approve the plans, but they died after one year," said Anton Lah. This is sharply denied by the Defense Ministry, since it claims that what is important about the rifle is not the economic justification but rather national security. "One does not even count the years of use of a rifle but rather the consumption of fired rounds; a rifle barrel can withstand from 1,800 to 3,200 rounds. In one year we fire several million rounds with our rifles," the Defense Ministry answered. "Blocking this project is therefore stupidity. A hunting carbine could also be made from a sniper rifle as all countries in the world do. Our hunters are thus buying them abroad. Clearly there would be no commissions with a domestic rifle."

A Warship for the Big Waves?

The Defense Ministry has allegedly not bought a single new rifle since 1992. On the other hand, last year it bought 60 cars, including a military car. It is also purchasing a warship for big waves (then the sailboat that the Slovene Army already has is probably for little waves?), which is supposed to have such deep anchorage that we can anchor it in the middle of our sea. Slovenia has exceptional possibilities for a "counterpurchase," which means that with major purchases (for example, for the Army) from abroad, the producer is asked to import a certain amount of our products himself in exchange for a certain amount. This protects domestic industry.

Ministry of Science and Technology

Back under the previous minister, the Ministry of Science and Technology concluded a cooperation protocol (in the area of defense production). "We are participating in focused development programs that are systematically research and development ones, aimed at the Army's requirements," said State Secretary Ciril Baskovic.

"Since we will be forced to import a great deal because of our incomplete knowledge, we should determine which of the purchased systems we can make ourselves with the same quality and within deadlines that are acceptable to the Army. One can often hear complaints from some Slovene enterprises which believe that the Slovene state is unjustifiably buying foreign items instead of subsystems or systems they produce themselves. They also complain that the announcements are tailored for someone specific, and only the names are left out." In any case, the Ministry of Science and Technology, in cooperation with the Defense Ministry, is preparing a development program under the working name "Defense."

The question, however, is why the defense production project approved by the government is not being carried out. It seems we have enough technological capabilities, and enterprises that can hardly wait for orders.

[Box, p 31]

Defense Production Before Independence

Slovene Ironworks: The Ravne Ironworks had a broad spectrum of subassemblies and components (cast and forged components, so-called forged, semifinished products, tracks, torsion springs, finished turrets, roughly manufactured barrels for cannons, and other parts for cannons) for light (armored personnel carriers) and heavy armored vehicles (tanks), etc.

TAM: TAM in Maribor produced all-terrain vehicles with 1.5 and 3 tons of load-bearing capacity, engines of varying power, and 4 x 4 wheeled armored vehicles, which means a two-axle vehicle with four-wheel drive. A large number of subcontractors and independent factories were associated with TAM's production.

Iskra: Elektrooptika, now Fotona, developed and produced very-high-quality electrooptical aiming and observation instruments and instruments for guidance and fire control in tanks and cannons, based on laser technology and infrared detection. Elektroveze produced single-channel or multichannel radio relay devices having suitable encryption capability.

In addition to these enterprises, many other enterprises also participated in defense production for the JNA.

Scientific Institutes: The Jozef Stefan Institute developed important research tasks for the JNA in the field of nuclear technology, the development of equipment for airports, and research on infrared detection. The Institute for Electronics and Vacuum Technology was involved in research requiring a high vacuum. Night surveillance devices had a special place. The Zoran Rant Cryotechnology Institute in Skopje Loka successfully developed miniature cooling devices. Those small devices are components of heat-vision cameras. The Zoran Rant Institute is importing both microrefrigerators today. The School of Electrical Technology and Computer Science had a great deal of success with research in the area of microelectronics. They developed and produced several types of very difficult chips with 3-micron and 1-micron densities. The most modern microelectronics laboratory was developed with joint financing from the Army.

[Box, p 32]

Defense Production After Independence

Slovene Ironworks: The production of armor plate at Jesenice was immediately stopped. Efforts to export armor plate have not been successful. They have also been left with large numbers of unpaid claims. According to the records of the responsible ministries, the amount of unpaid and unrecoverable debts for delivered products is $2.7 million. The Ravne Ironworks was most affected by the disassociation. The total uncollected debt amounted to $15 million. The forging and manufacturing of barrels of various calibers, mostly for export, have been partly maintained.

TAM: The production of all-terrain vehicles and armored combat vehicles stopped immediately after the collapse of Yugoslavia. The current status of TAM's defense production is such that very large amounts of funds will be needed to start over again.

The Iskra Complex: We can no longer count on seriously organized defense production at Iskra's factories today, except in the case of Fotona. Today, it is manufacturing electrooptical aiming devices, fire control devices, and heat-vision cameras, and exclusively exports them.

Institutes: The Zoran Rant Institute, which converted for exports in time, is the only institute involved in the defense business. The others have abandoned defense research, and have reoriented themselves for other work.

Federal

FRY: Progress Noted in Relations With Washington

LD0502191296 Belgrade TANJUG in English 1818 GMT 5 Feb 96

[Report by Diplomatic Editor Zoran Jevdjovic; "pool" item]

[FBIS Transcribed Text] Belgrade, Feb. 5 (TANJUG)—Sunday's visit to Belgrade by U.S. Secretary of State Warren Christopher could be described as successful.

President of the Yugoslav Republic of Serbia Slobodan Milosevic and Christopher said that their talks had been open and frank and that the relations between the Federal Republic of Yugoslavia and the United States were progressing step-by-step.

Using the full name of the Federal Republic of Yugoslavia—rather than the earlier formulation 'Serbia and Montenegro'—Christopher said that considerable progress had been made in the two countries' relations and that it would gain speed with each stage in the process of implementing the Bosnia agreement.

Christopher was unable to specify when the two countries' relations will be fully normalized but he said that they were heading in the direction which would soon bring them to the high level that existed before 1991, when the crisis in the former Yugoslavia broke out.

Speaking at a press conference in Belgrade at the end of his tour of the former Yugoslavia, Christopher spoke of everyone's responsibility to use this favourable moment to speed up the peace process, which evidently has some obstacles in its way at present.

Although Christopher said he had conveyed more or less the same messages to Zagreb, Sarajevo and Belgrade, some differences are evident.

While he supported Belgrade's positive role in the peace process, the messages to Zagreb and Sarajevo seem to be more in the line of warning.

Croatian President Franjo Tudjman was told that his country must adhere to peaceful means of settling the problem of the Srem-Baranja region and that the return of refugees to Croatia and guarantees for their human and civil rights were of vital importance.

It was particularly important for the U.S. to tell Zagreb that it should support the Muslim-Croat Federation in Bosnia because current differences between local Muslims and Croats are causing concern in Washington (which sponsored the Muslim-Croat Federation) and threatening the implementation of the Bosnia peace agreement signed in Dayton, Ohio.

On the other hand, Bosnian Muslim Leader Alija Izetbegovic is expected to make possible the creation of an open and tolerant community and to send home foreign mojahedin fighters, as promised.

The demand is seen in the light of the views frequently voiced in the U.S. that Izetbegovic must finally chose between Washington and Tehran.

Christopher said he had discussed with Izetbegovic the agreed unconditional release of all prisoners and plans for building confindence among fearful Sarajevo Serbs who are due to come under the rule of the Muslim-Croat Federation.

Christopher also spoke about Yugoslavia's cooperation with the International War Crime Tribunal in The Hague. He said that, after Dayton, Belgrade stood firmly on the position that each country was obliged to investigate war crimes and that Yugoslavia had a procedure and trials for such cases.

However, Yugoslavia has no reason to reject cooperation with The Hague Tribunal in investigating war crimes and collecting evidence.

Christopher urged the respect of human and civil rights in Serbia's province of Kosovo but without mentioning the autonomy that the province enjoyed in the 1980s.

He insisted on a status of the people in the region that would ensure their full civil and human rights, including ethnic Albanians' right to use their own language and to be more fully represented in social structures.

This right, however, has never been denied to any ethnic minority group in Yugoslavia, including the Albanian minority.

Instead, a great many ethnic Albanians have followed the advice of their separatist leaders, refusing to vote in elections and exercise their other rights guaranteed by the Serbian Constitution.

Although the United States is interested in finding a solution to the Kosovo problem, Christopher repeatedly said in Belgrade that the problem was to be solved solely through dialogue between ethnic Albanians and authorities in Belgrade.

This evidently put an end to speculations over the future of the Serbian province and the U.S. position toward it.

FRY: Belgrade Radio Assesses Christopher Visit

AU0602120296 Belgrade Radio Beograd Network in Serbo-Croatian 2100 GMT 5 Feb 96

[FBIS Translated Text] The first visit by a U.S. secretary of state to Belgrade after a full five years is the best expression of the current progress in relations between the Federal Republic of Yugoslavia [FRY] and the United States, as well as the successful course of the peace process in Bosnia. Here is a commentary by our foreign political editor Slavisa Stojkovic:

Only a few days after the 115th anniversary of the establishment of full diplomatic relations between the Kingdom of Serbia and the United States of America—these relations were then to continue through the Kingdom of Yugoslavia to the SFRY and the FRY—U.S. Secretary of State Warren Christopher arrived in our country for an official visit. Our press and the foreign press justifiably attached great importance to this visit, not only because it is the first visit by a U.S. secretary of state for five years, but much more because of the jointly made assertion that the political dialogue between our two countries and their constructive approach are key factors in achieving peace on these territories. Therefore, it is not merely diplomatic phrasing to say that the talks between Serbian President Slobodan Milosevic and U.S. Secretary of State Warren Christopher were cordial and frank [otvoren] and were held in an atmosphere of mutual understanding. The U.S. side particularly stressed the essential positive role played by the FRY in both achieving and successfully implementing the peace agreement. That is why our country's expectation that the United States will support Yugoslavia in the reintegration into international organizations and financial institutions was greeted with understanding. The bilateral relations, which, while they may have run into difficulties, have never been interrupted in those 115 years, are now improving. Optimism in this respect was expressed by both Milosevic and Christopher in statements made after the talks and by the secretary of state addressing journalists at the Hotel Intercontinental. Warren Christopher then said that the improvement in the state relations will soon be visible as well. What is important to say now is that he used the full name of our county all the time, that is, the Federal Republic of Yugoslavia, and nothing else, a fact that says enough in itself.

In talking with journalists, Warren Christopher summed up his talks with the three presidents, Tudjman, Izetbegovic, and Milosevic, during his three-day visit to Croatia, Bosnia-Herzegovina, and Yugoslavia. The talks in Belgrade were most important as Yugoslavia is the most important partner. According to Christopher, President Milosevic is also a firm guarantee for all that has been agreed, while serious U.S. warnings were conveyed to Tudjman and Izetbegovic for failing to implement the provisions of the Dayton agreement.

Regarding Kosovo and Metohija—and foreign journalists frequently asked that question in various connections—Christopher spoke exclusively about respect for the political and human rights of all citizens of Kosovo-Metohija, and we stress the word all, without once mentioning autonomy or anything else. The announced intention to open an information bureau in Pristina is in line with the customary U.S. practice of having several such bureaus or centers in one state. The Belgrade information center will be raised to the level of a cultural center, which is undoubtedly further confirmation that relations between the FRY and the United States have improved.

Finally, we should point out Secretary of State Christopher's words that Dayton was the beginning of a process whose final goal is long-lasting peace and that this visit provided assurances that we are treading the right road toward reaching that goal.

FRY: German Diplomat Predicts EU Recognition 'Soon'

AU0202204996 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 2 Feb 96

[Interview with (Gerhard Enver Slemgens), charge d'affaires of the German Embassy in the FRY, by Tatjana Lenard; place and date not given—recorded; (Slemgens) speaks German, Lenard English, both with superimposed Serbo-Croatian translation]

[FBIS Translated Text] [Lenard] Please tell us how you see the normalization of relations between our two countries, as well as Yugoslavia and the EU?

[(Slemgens)] We, just like Europe, are very interested in seeing Yugoslavia return to all European and international institutions as soon as possible. We have always insisted upon that and our foreign minister also said so recently. Therefore, I believe that Yugoslavia will be recognized very soon so that conditions would be created for our relations to develop further.

[Lenard] What is the main condition for this normalization?

[(Slemgens)] We in the EU are all of the opinion that it is necessary to have the mutual recognition of Yugoslavia and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. This will speed up this normalization and we are all waiting for that.

[Lenard] How do you see Belgrade's role in the peace process?

[(Slemgens)] Belgrade has played a positive role in the peace process and that has lead to the peace agreement in Dayton and Paris. We believe that this process will continue and help further our bilateral relations and the relations Belgrade and Yugoslavia have with the EU.

[Lenard] When do you expect a German ambassador in Belgrade to be appointed?

[(Siemgens)] In fact, as soon as relations with Yugoslavia are normalized, our ambassador will return to his post in Belgrade.

[Lenard] With the normalization of relations, economic and other forms of cooperation between our countries are certainly going to improve.

[(Siemgens)] This development of economic relations is one of the main reasons that our relations with Yugoslavia have to normalize as soon as possible because only that can make possible the conclusion of bilateral agreements, and Yugoslavia's admission to international financial institutions. Your country could significantly benefit from that, as you could significantly encourage your development through world organizations, guarantees, and all the financial instruments that you would then be able to use. This is why it is important to have relations between Yugoslavia and EU normalized so that with its full return to the international scene Yugoslavia will be a prosperous country.

[Lenard] Thank you.

FRY: British Know-How Fund Delegates Visit Belgrade

LD0502211296 Belgrade TANJUG in English 1925 GMT 5 Feb 96

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Feb 5 (TANJUG)—Representatives of the British Fund for Knowhow Transfer Charles Gert and Kyron Sarkar said Monday in Belgrade that the economy of the Federal Republic of Yugoslavia was more advanced than the economies of the majority of Eastern and Central European states undergoing transition.

At a meeting with Serbian Finance Ministry Secretary Tomislav Radojicic, they offered assistance regarding finance, the privatization process, reorganization of the banking system and establishment and consolidation of contacts with international financial institutions, Serbian Information Ministry has stated.

FRY: Australia Seeks Closer Economic Cooperation

LD0302120996 Belgrade TANJUG in English 1146 GMT 3 Feb 96

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Feb. 3 (TANJUG)—Australian Government member in charge of trade with Eastern and Central Europe John Charody said in Belgrade on Friday that his country wanted closer and stronger economic cooperation with Yugoslavia.

It was assessed during talks at the Yugoslav Chamber of Commerce that Australian businessmen were especially interested in sales of sugar, wool, meat, live and breeding cattle, mining equipment, packing, and food production lines.

During Charody's talks with Serbian Government officials, hopes were expressed that Australian representatives on international organizations would actively urge Yugoslavia's speedier reintegration into these institutions.

It was agreed during the talks that it was in the interest of both sides and that many possibilities existed for establishing and reviving cooperation between Yugoslavia and Australia, said a statement on the talks released by the Serbian Ministry of Information.

FRY: TANJUG, AP News Agencies Renew Cooperation

LD0502171296 Belgrade TANJUG in English 1531 GMT 5 Feb 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Feb 5 (TANJUG)—The Yugoslav national news agency TANJUG and the European branch of the ASSOCIATED PRESS from the United States of America renewed their cooperation contract in Belgrade on Monday [5 February].

The contract was signed by TANJUG Director Slobodan Jovanovic and by Chief of the A.P. European branch Steve Miller.

In voicing content with renewed cooperation, Jovanovic said that during the international community's 3.5-year-long comprehensive and mandatory sanctions against the Federal Republic of Yugoslavia (F.R.Y.) not a single major news agency in the world had broken its cooperation with TANJUG. He added that all the major media in the F.R.Y. have been using TANJUG's services.

Jovanovic underscored that even in the most difficult days of the sanctions, TANJUG had preserved the integrity of a reliable news agency and, after the sanctions were suspended, it has been entering business relations with the world's leading agencies just as with other regional and neighbouring national news agencies.

Having recalled that TANJUG was among the initiators of the founding of a pool of Balkan news agencies, Jovanovic said that this institution should secure an improved circulation of information in the Balkans and in that way possibly help improve overall cooperation in the peninsula.

Miller said the two agencies were cooperating honourably and at a high level while TANJUG should take pride in what it had achieved in the past few years.

Miller was content that the two agencies' relations were returning to normal, and pointed out the feasible furthering of cooperation especially between their sports and photo services.

Serbia

Serbia: Tensions With Montenegro Over Policy Viewed

AU0502150296 Belgrade NASA BORBA in Serbo-Croatian 1 Feb 96 p 8

[Commentary by Jasna Kesic: "To Whom Is the Prime Minister Complaining?"]

[FBIS Translated Text] Montenegro badly needs foreign capital for its development, but the federal state or, to be more precise, federal regulations make it impossible for it to obtain any. This is, in short, the message of the speech that Montenegrin Prime Minister Milo Djukanovic delivered at the recently held scientific congress on the development of Montenegro until the year 2000. In his words, the federal state shows neither the necessary level of recognition nor the necessary level of readiness to solve this problem. "You should have a look at the Law on Foreign Investments and you will see that it has been written with the vocabulary of the former period...."

This assessment by Djukanovic is in no way controversial and most economists who respect their own opinion would probably agree with it. It is not clear, however, to whom Djukanovic is complaining now, since he did not complain when "his" deputies in the Federal Assembly voted for the above law. It is certain that the Montenegrin Government, under his leadership, also sanctioned the bill in question; otherwise, it would not have reached the Federal Assembly, or the deputies of the Democratic Party of Socialists of Montenegro [DPS CG] at least would not have voted for it and it would consequently not have been passed.

Djukanovic says that "the difference on that issue between the official Montenegrin policy and the official policy at the level of the Federal Republic of Yugoslavia is clearly identified," and this is evident. But the question has to be asked again, who he is complaining to now and who is in control of policy at the federal level. Are Radoje Kontic, the federal prime minister, and a few ministers from Montenegro not members of "his" party? Is the chairman of the Chamber of the Republics in the Federal Assembly not an estimated DPS CG member too? Do leading Montenegrin socialist deputies not tip the scales in the federal parliament since their "green light" is necessary for every law to be passed? Had they wanted, they could have prevented the passage of the "ideological" Law on Foreign Investments without any problems. But they did not want to, and someone else has to be blamed for it now....

The explanation of this and a series of other similar situations is very simple: The Montenegrin socialists have always (at least up to now) cared more for their "ideological love" of the SPS [Socialist Party of Serbia] than for passing good laws. Wanting to avoid conflicts with the Serbian Socialists, the DPS CG deputies have been a voting machine in the federal parliament, of which it has always been unmistakably known how it will vote. The example of Milan Gajovic, the head of the DPS parliamentary club in the Chamber of Citizens, is the best proof of this. He said when one law was being passed: "The law has many flaws, but it has to be passed and the problems will be solved during its implementation through stipulations and regulations." Further proof of the "ideological love" between the leading parties of the two republics can also be found in Milo Djukanovic's words uttered in the same meeting, that everything would be done in Montenegro to "open the way for capital by roundabout ways." "Roundabout" and not direct, as it should be, which means that DPS CG deputies should propose changes to the Law on Foreign Investments, which might possibly also be passed without the SPS's consent. This way is simpler, however, and "the peace in the house" will be retained, too.

Montenegro

Montenegro: Ethnic Albanians Demand 'Special Status'

AU0402141696 Tirana TVSH Television Network in Albanian 1735 GMT 3 Feb 96

[FBIS Translated Text] The current power in Montenegro is perpetrating a continuous discrimination against Albanians even more accentuated than in the time of totalitarianism. The Albanian areas in Montenegro, such as Ulqin, Tuz, Plava, etc., have practically been left out of development plans. Out of 78 million dinars of the Republican Directorate on Public Works, no investment at all has been carried out in the Albanian residences during this year. These data were presented at a news conference given by the Democratic League of Albanians in Montenegro [LDShM].

Muhamet Nikaj, the LDShM secretary, told reporters that the Montenegrin power continues to ghettoize Albanians in various forms and reiterated the well-known stance of this party and other Albanian political parties and institutions on the indispensability of a special status for Albanians as the most suitable solution.

Kosovo

Kosovo: Rugova Urges EU, U.S. 'Interest' in Kosovo

AU0302211096 Tirana TVSH Television Network in Albanian 1735 GMT 3 Feb 96

[Telephone report by Shaban Arifaj from Pristina]

[FBIS Translated Text] A communique published by the Kosovo Information Center reports that, within the framework of the Democratic League of Kosovo [LDK] regular meetings, President of the Republic of Kosovo Dr. Ibrahim Rugova briefed the LDK branch chairmen on the current situation in Kosovo and its international position.

Rugova first stressed that, over the past week, too, the Kosovo issue was at a positive focus by the international community, and particularly of the European Union [EU] member countries. Rugova assessed as very important the Council of Europe Assembly's approval of a resolution on Kosovo. This resolution demands that the political will of the Kosovar people be respected, Dr. Rugova stated, adding that here lies its importance.

On this occasion, Rugova recalled Carl Bildt's statement that the Kosovo issue is on the top list of the international agenda regarding Balkan affairs, stressing that the EU countries and the United States should continuously show interest in Kosovo and more frequently examine its issue.

Rugova demanded from the international community to assess and reward the contribution and sacrifices of the Kosovar people for life, peace, and stability in the region but in Europe as well.

Talking about the current situation in Kosovo, Rugova stated at the meeting that systematic violence is being perpetrated against Albanians. Rugova called the killing of Ali Dem Shabanaj and the wounding of several members of this family in Decan a serious provocation on the part of the Serbian refugees settled in Kosovo.

Kosovo: Bukoshi on International 'Signals' to Belgrade

AU0302175396 Tirana TVSH Television Network in Albanian 1735 GMT 2 Feb 96

[FBIS Translated Text] Hailing the Council of Europe resolution on Kosovo, Prime Minister of the Republic of Kosovo Dr. Bujar Bukoshi stressed that it high time to send such signals to Belgrade and not stop sending them in order to convince Belgrade that the Kosovo issue has not been forgotten and that this is an issue that Belgrade should be confronting now.

In an interview with Deutsche Welle radio, Dr. Bukoshi also stressed that after the developments that have occurred so far, priority should be given to Kosovo. Bukoshi revealed his hope that the Kosovo issue will be included in the daily agenda of the international community to resolve it, adding that there is no chance of continuing the present status quo.

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